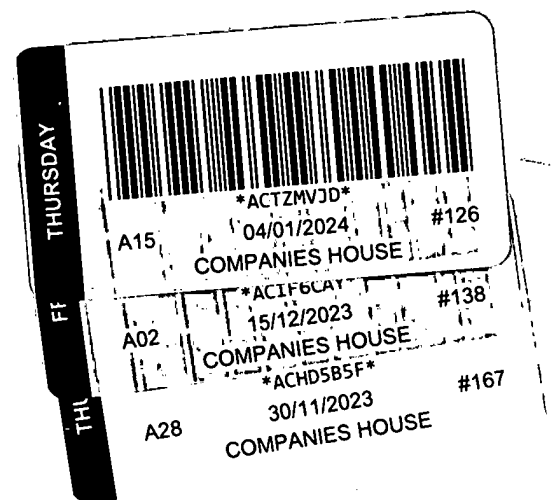


Company Number 05291694

RO TRADING LIMITED

Report and Financial statements

31 March 2023



RO Trading Limited

Company Number 05291694

DIRECTORS

R G StJ Rowlandson FCA (Chairman)
E T M Rowlandson (Group Managing Director)
R Woodman-Bailey BSc (Non-Executive)
D Kershaw (Group Real Estate Director)
S White (Group Commercial Director)

SECRETARY

Finance & Industrial Trust Limited (The)

AUDITOR

WMT Chartered Accountants
4 Beaconsfield Road
St Albans
Hertfordshire
AL1 3RD

BANKER

Royal Bank of Scotland PLC

REGISTERED OFFICE

Graham House
7 Wylyotts Place
Potters Bar
Hertfordshire
EN6 2JD

RO Trading Limited

GROUP STRATEGIC REPORT

The Directors present their Strategic Report for the year ended 31 March 2023.

PRINCIPAL ACTIVITIES

The principal activity of the company was that of a holding company.

The principal activities of the group are:-

- (a) Development of commercial properties
- (b) Development of residential properties
- (c) Property management
- (d) Property investment
- (e) Holiday lodge development
- (f) Land promotion

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The turnover of the group was £16.6m (2022: £38.1m).

Activity is focused on acquiring further sites for development, letting vacant properties, adding value through the planning process and disposing of fully let schemes. We continue to look for new trading and development opportunities but have raised the criteria required. The group has added to its development pipeline over the period.

The group made 21 (2022: 31) residential house sales during the year and will be increasing the level of activity in the coming year.

PRINCIPAL RISKS AND UNCERTAINTIES

The property industry is highly dynamic and as a result the group faces both challenge and opportunity within its core business.

The main financial risks arising from the group's activities are credit risk, interest rate risk and liquidity risk.

The group's policy in respect of interest rate risk and liquidity risk is to maintain a mixture of long term and short term debt finance. Operations are mainly financed by a mixture of retained profits, bank loans, floating rate overdrafts and inter-company advances. This combination of finance is mainly used to assist in the funding of trading businesses and development sites. Working capital requirements are met principally out of floating rate overdrafts and retained profits. In addition, various financial instruments such as trade debtors and trade creditors arise from the group's operations. It is the group's policy to assess the credit risk of new customers and to factor the information from these credit ratings into future dealings with these customers. Cash flow is monitored by the Directors on a regular basis and appropriate action taken when additional funds are required. Interest rate risk is managed by monitoring market conditions and entering into interest rate swap arrangements if appropriate.

SECTION 172 STATEMENT

This section describes how we have engaged with and considered the interests of our key stakeholders when exercising our duty to promote the success of the Group under Section 172 (1) of the Companies Act 2006. These principles are not only something that is considered at Board level, they are embedded throughout the Group.

GROUP STRATEGIC REPORT

SECTION 172 STATEMENT (CONTINUED)

Employees

How the Board Engages:

- Recruitment, retentions and reward
- Attendance of training and development forums
- Assessing the output of employment surveys and agreeing follow-up actions
- Online development, training and performance
- Our impact on the community and the environment

The directors have a wealth of experience covering all aspects of the Groups activities. The Chairman has been actively involved in the business for nearly fifty years with the Managing Director joining the Group sixteen years ago. The remaining Board members have nearly twenty years service collectively. This gives them extensive knowledge of the businesses we are actively engaged in.

Engagement with our employees has never been so vital to the success of our business. We actively promote a hybrid approach to office attendance to reflect the feedback received and feel this provides a better work / life balance.

Recruitment, retention and reward

Following discussions and taking into account the impact of the pandemic on different areas of the business, actions included:

- Agreeing principles for remote and home working.
- Our internal performance and development tool provides a forum for positive and constructive feedback by individuals and managers.

We pride ourselves on maintaining high levels of staff retentions, with many employees having received long service awards and many employees having in excess of 25 years with the Group.

This is achieved by offering our employees every opportunity to expand their roles, promoting a culture of being 'in business to do business' and actively encouraging all to engage with every area of the business.

Employment Surveys

Throughout the year our online performance tool was continued to be rolled out alongside employee surveys to assess opinions / areas of interest. This enthusiasm has been harnessed by the creation of various working groups, examples include:-

- Promotion of positive mental health and wellbeing
- Leadership forums
- Sustainability Committee

The Board monitors staff retention rates, numbers and disciplinary and grievance procedures, learning and development activity, pay and reward.

With regard to health, safety and wellbeing the Board receives regular updates on safety performance, safety risk management and staff mental health and wellbeing.

Suppliers

Throughout the year the Board approved major contract negotiations and strategies with regard to key suppliers, notably the Group's providers of construction services. We balance maintaining strong relationships with key suppliers / professional advisers alongside the need to obtain value for money.

GROUP STRATEGIC REPORT

SECTION 172 STATEMENT (CONTINUED)

Customers

We strive to provide excellent products and service to all our customers / tenants. Various surveys are undertaken to gauge customer mood / opinion.

Our impact on the community and the environment

We have a number of initiatives aimed at reducing the adverse impact of our business on the environment and the communities in which we operate. During the year we considered our approach to climate change and are working towards agreed measures that we can take to reduce our impact on the environment.

We are currently in the process of changing all company cars to hybrid vehicles and have installed an electric charging point at our head office.

Our impact on the community and the environment (continued)

As part of the natural cycle of property ownership, assets become due for refurbishment or redevelopment. With businesses now showing a keen interest in company ESG principles, RO Real Estate is committed to improve the environmental credentials of each building through refurbishment and operational management initiatives.

Political Donations

No political donations were made during the year.

Shareholders

The company has three classes of issued share capital, all of which have equal rights.

The Board does not take any decisions nor does it undertake any actions that would provide any shareholder or group of shareholders with any unfair advantage or position compared to the shareholders as a whole.

Long Term Decisions

Activity is focused on acquiring further sites for development, letting vacant property and adding value by achieving planning to develop further schemes, disposing of fully let schemes to maximise profitability.

The increased need for capital expenditure to facilitate property refurbishment, development of brown-field sites and the construction of a new solar farm is fully considered and regular cashflow and forecast meetings are held.

We look to increase all Group activity including that of residential house building / land promotion focusing both on land for residential development but also on promoting commercial uses, including renewables.

FINANCIAL KEY PERFORMANCE INDICATORS

The group financial key performance indicators by which the Directors monitor the business are group profit before tax, broken down by activity, comparing its profits to budget and prior year as well as comparing budgeted cash flows to actual cash flows. It also carefully monitors loan balances, interest serviceability together with net current assets and net assets disclosed on the balance sheet set out on page 14. Each subsidiary business adapts this framework to develop its own measurement of performance.

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



Authorised Signatory

Date: 1st August 2023

RO Trading Limited

DIRECTORS' REPORT

The Directors present their annual report on the affairs of the group, together with the financial statements and auditors' report, for the year ended 31 March 2023.

DIVIDENDS

The Company paid a dividend of £Nil (2022: £Nil) on the Ordinary shares during the year. The Directors do not recommend the payment of a final dividend.

DIRECTORS

The Directors of the company who have held office during the period were as follows:-

R G StJ Rowlandson FCA
E T M Rowlandson
R Woodman-Bailey BSc
S White
D Kershaw

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the Strategic Report the Directors' Report 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 they have elected to prepare the group and parent company financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 group and parent company and of the groups profit or loss for that period. In preparing each of the group and parent company 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;
- state whether applicable UK accountancy standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonable open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

DIRECTORS' REPORT

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS (continued)

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

HEALTH & SAFETY

The Directors keep the Health & Safety risks associated with the business under constant review together with the processes that mitigate those risks. The processes include annual planning, quarterly Health & Safety meetings, third party external site audits for all aspects of the business, staff training and communication, risk assessments, external updates and reporting at each board meeting.

EQUAL OPPORTUNITY

The group's policy is to promote equal opportunity in employment regardless of gender, race, colour or disability subject only to capability and suitability for the task and legal requirements.

Where existing employees become disabled, it is the group's policy to provide continuing employment under terms and conditions and to provide equal opportunity for promotion for disabled employees wherever appropriate.

STREAMLINED ENERGY AND CARBON REPORTING

Breakdown of energy consumption used to calculate emissions (kWh):

	2023 kWh	2022 kWh
Energy type		
Electricity	60,371	55,097

Breakdown of emissions associated with the reported energy use (CO₂):

	2023 Kg CO ₂ e	2022 Kg CO ₂ e
Electricity	14,075	12,845

Intensity ratios	2023	2022
Kg CO ₂ e per square feet of office space	2.75	2.51

The intensity ratio is total gross emissions in Kg CO₂e per square foot of head office space. This financial metric is considered the most relevant to the company's energy consumption.

Energy-efficiency action during the current year

The management of resources is an important issue for the company, with energy awareness being promoted to ensure resource conservation. We keep our paper consumption to a minimum and have LED lighting that is only activated whilst the office is in use. We recycle as much office waste as possible and promote the use of fair trade products.

Having considered all Group Subsidiaries we can confirm that none are obliged to report on this.

DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office 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 auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

DIRECTORS' REPORT

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT,
THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS (continued)**

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and WMT Chartered Accountants will therefore continue in office.

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


Authorised Signatory

Date: 1st August 2023

AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Unqualified Opinion

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF RO TRADING LIMITED

Opinion

We have audited the financial statements of RO Trading Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cashflows, Consolidated Statement of Changes in Equity, Company Statement of changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

RO Trading Limited

AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

The following laws and regulations were identified as being of significance to the entity:

- Those laws and regulations considered to have a direct effect on the financial statements include UK financial reporting standards (FRS 102) and the Companies Act 2006.
- Those laws and regulations for which non-compliance may be fundamental to the operating aspects of the business and therefore may have an indirect material effect on the financial statements include building regulations, environmental law compliant, employment law, tax law and data protection.

AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: inquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; review of board minutes; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

A further description of our responsibilities is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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 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.

WMT

Elizabeth Wicks (Senior Statutory Auditor)

For and on behalf of
WMT LLP

Chartered Accountants and Statutory Auditors

2nd Floor
4 Beaconsfield Road
St Albans
Hertfordshire
AL1 3RD

Date: 8 August 2023

RO Trading Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2023

Company No 05291694

		2023 Total £'000	2022 Total £'000
Turnover	2	16,601	38,106
Cost of sales		(10,564)	(26,305)
Group gross profit		6,037	11,801
Administration costs		(7,386)	(7,324)
Release/(creation) of provision against amount owed by related parties	5	134	(6,000)
Profit on sale of investment properties		(49)	-
Exceptional items	24	(1,152)	-
Investment property fair value movements	10	(4,332)	-
Group operating (loss)/profit		(6,748)	(1,523)
Share of profit in JV		2	-
Loss on ordinary activities before investment income, interest and tax		(6,746)	(1,523)
Net finance income	4	287	587
Loss on ordinary activities before taxation	5	(6,459)	(936)
Tax on loss on ordinary activities	8	102	332
Loss on ordinary activities after taxation		(6,357)	(604)

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

RO Trading Limited

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 March 2023

Company No 05291694

Continued

	2023 £'000	2022 £'000
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	(6,357)	(604)
OTHER COMPREHENSIVE INCOME		
(Loss) on revaluation of freehold properties 10	-	(333)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(6,357)	(937)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:		
Non-controlling interests	(321)	(98)
Owners of the parent company	(6,036)	(839)
	(6,357)	(937)

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

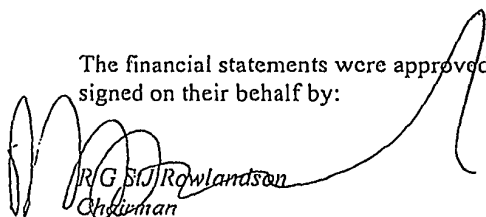
RO Trading Limited

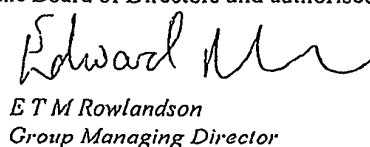
CONSOLIDATED BALANCE SHEET At 31 March 2023

Company Number 05291694

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Investment properties	10	24,840	11,405
Tangible assets	11	241	99
Investments in joint venture	13	12	11
Investments	12	35	-
		<u>25,128</u>	<u>11,515</u>
CURRENT ASSETS			
Stocks	14	67,887	53,390
Debtors (including amounts due in more than one year of £1,424k (2022: £524k))	15	7,277	35,395
Cash at bank and in hand		4,795	10,792
		<u>79,959</u>	<u>99,577</u>
CREDITORS: Amounts falling due within one year	16	(9,388)	(10,024)
		<u>70,571</u>	<u>89,553</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>95,699</u>	<u>101,068</u>
CREDITORS: Amounts falling due after more than one year	16	(4,444)	(3,456)
NET ASSETS		<u>91,255</u>	<u>97,612</u>
CAPITAL AND RESERVES			
Called up share capital	18	2	2
Capital redemption reserve		2,160	2,160
Merger reserve	19	4,599	4,599
Retained earnings	19	84,835	90,871
		<u>91,596</u>	<u>97,632</u>
ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY		<u>91,596</u>	<u>97,632</u>
NON CONTROLLING INTERESTS		(341)	(20)
TOTAL CAPITAL EMPLOYED		<u>91,255</u>	<u>97,612</u>

The financial statements were approved by the Board of Directors and authorised for issue on 1st August 2023 and are signed on their behalf by:


R G S J Rowlandson
Chairman


E T M Rowlandson
Group Managing Director

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

RO Trading Limited

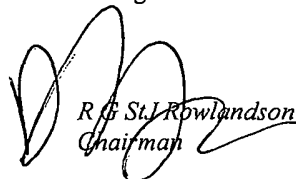
COMPANY BALANCE SHEET
At 31 March 2023

Company Number 05291694

	Notes	2023 £'000	2022 £'000
FIXED ASSETS			
Tangible assets	11	1,011	995
Investments	12	210	209
		<u>1,221</u>	<u>1,204</u>
CURRENT ASSETS			
Debtors (including amounts due in more than one year of £Nil (2022: £21k))	15	111,985	103,314
Cash at bank		3,946	9,731
		<u>115,931</u>	<u>113,045</u>
CREDITORS: Amounts falling due within one year	16	(2,463)	(1,931)
		<u>113,468</u>	<u>111,114</u>
NET CURRENT ASSETS			
		<u>114,689</u>	<u>112,318</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS: Amounts falling due after more than one year	16	(3,456)	(3,456)
		<u>111,233</u>	<u>108,862</u>
CAPITAL AND RESERVES			
Called up share capital	18	2	2
Capital redemption reserve	19	2,160	2,160
Retained earnings	19	109,071	106,700
		<u>111,233</u>	<u>108,862</u>
EQUITY SHAREHOLDERS' FUNDS			
		<u>111,233</u>	<u>108,862</u>

No profit and loss account is presented for the company as it has taken the exemption of S408 Companies Act 2006. The profit of the company in the year to 31 March 2023 is £2,371,542 (2022: £284,842).

The financial statements were approved by the Board of Directors and authorised for issue on 1st August 2023 and are signed on their behalf by:


R J St J Rowlandson
Chairman


E T M Rowlandson
Group Managing Director

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

RO Trading Limited

CONSOLIDATED STATEMENT OF CASHFLOWS

For the year ended 31 March 2023

	Notes	2023 £'000	2022 £'000
Group loss for the year		(6,357)	(937)
<i>Adjustment to reconcile profit for the year to net cashflow from operating activities</i>			
Revaluation of property	10	4,332	333
Depreciation	11	46	48
Share of operating profit on joint venture		(2)	-
Net finance costs	4	(287)	(587)
Tax charge for the year	8	(102)	(332)
Loss on sale of investment properties		49	-
Exceptional expenditure	25	1,152	-
<i>Working capital movements:</i>			
(Increase)/decrease in stock		(12,122)	10,611
Decrease/(increase) in debtors		10,040	(3,007)
(Decrease)/increase in creditors		(2,625)	2,260
<i>Taxation</i>			
Corporation tax paid		7	(15)
Net cash (outflow/inflow) from operating activities		(5,869)	8,374
INVESTING ACTIVITIES			
Interest received	4	895	1,091
Purchase/additions of tangible fixed assets		(729)	(4,927)
Sale of tangible fixed assets		2,627	4
Purchase of subsidiary		(9)	-
Net increase in reserves on acquisition of associate		-	49
		2,784	(3,783)

RO Trading Limited

CONSOLIDATED STATEMENT OF CASHFLOWS (CONTINUED))

For the year ended 31 March 2023

	<i>Notes</i>	<i>2023</i>	<i>2022</i>
		<i>£'000</i>	<i>£'000</i>
FINANCING ACTIVITIES			
Interest paid	4	(608)	(504)
(Repayment)/increase of related party loans		(3,012)	10,055
Increase/(decrease) in bank loans		565	(5,271)
Net cashflow from financing activities		(3,055)	4,280
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(6,140)	8,871
Cash on acquisition of subsidiary		143	-
CASH AND CASH EQUIVALENTS AT 1 APRIL 2022		10,792	1,921
CASH AND CASH EQUIVALENTS AT 31 MARCH 2023		4,795	10,792

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

RO Trading Limited

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	<i>Called up Share Capital £'000</i>	<i>Retained Earnings £'000</i>	<i>Merger Reserve £'000</i>	<i>Capital Redemption Reserve £'000</i>	<i>Shareholders Equity £'000</i>	<i>Non- Controlling Interest £'000</i>	<i>Total Equity £'000</i>
Balance at 1 April 2021	2	91,696	4,599	2,160	98,457	63	98,520
Changes in Equity:							
Associated Acquisition	-	14	-	-	14	15	29
Total comprehensive income	-	(839)	-	-	(839)	(98)	(937)
Balance at 31 March 2022	2	90,871	4,599	2,160	97,632	(20)	97,612
Changes in Equity:							
Total comprehensive income	-	(6,036)	-	-	(6,036)	(321)	(6,357)
Balance at 31 March 2023	2	84,835	4,599	2,160	91,596	(341)	91,255

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

RO Trading Limited

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2023

	<i>Called up Share Capital £'000</i>	<i>Retained Earnings £'000</i>	<i>Capital Redemption Reserve £'000</i>	<i>Total Equity £'000</i>
Balance at 1 April 2021	2	106,415	2,160	108,577
Changes in Equity:				
Total comprehensive income	-	285	-	285
Balance at 31 March 2022	2	106,700	2,160	108,862
Changes in Equity:				
Total comprehensive income	-	2,371	-	2,371
Balance at 31 March 2023	2	109,071	2,160	111,233

The accompanying notes on pages 20 to 42 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2023

1. ACCOUNTING POLICIES

Company information

RO Trading Limited ("the Company") is a private limited company limited by shares domiciled and incorporated in England and Wales. The registered office is Graham House, 7 Wyllyotts Place, Potters Bar, Hertfordshire, EN6 2JD.

The Group consists of RO Trading Limited and all of its subsidiaries. The activities of the group include the development of commercial and residential properties, together with property management.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared on the historical cost convention modified by the revaluation of certain assets. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate those of RO Trading Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). All financial statements are made up to 31 March 2023.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual agreement are treated as joint ventures. In the group financial statements, joint ventures are accounted for under the equity method.

NOTES TO THE FINANCIAL STATEMENTS at 31 March 2023

1. ACCOUNTING POLICIES (CONTINUED)

Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

Post the COVID-19 pandemic and a corresponding increase in uncertainty in the economic environment, there are no events or conditions which cast significant doubt on the ability of the company to continue as a going concern.

The company and group has continued to be cash generative. The directors have prepared cashflow forecasts for a period of 14 months from the date of approval of these financial statements which indicate that, taking account of severe but plausible downsides incorporating no growth projections, the entity is able to cover its operating costs and service its outstanding debt obligations in line with the agreed repayment dates with no resulting cash shortfall.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Impairment of fixed assets

At each reporting end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual assets, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Turnover

Turnover represents the total amount of invoiced commissions and fees received in respect of managing properties on behalf of landlords together with the value of properties sold, rentals receivable, house, flat, and lodge sales, excluding value added tax, to customers outside the group.

It is group policy to account for the sale of properties on legal completion.

Interest receivable

Interest is recognised on a receivable basis.

NOTES TO THE FINANCIAL STATEMENTS
at 31 March 2023

1. **ACCOUNTING POLICIES (CONTINUED)**

Tangible fixed assets

Tangible fixed assets are stated at valuation or at cost, net of depreciation and any provision for impairment.

At each reporting end date, the group reviews the valuations of its tangible assets to determine whether there is any indication that those assets have a movement in valuation.

Depreciation is provided on all tangible fixed assets, other than investment properties, calculated to write off the cost or valuation, less estimated residual value on a straight line or reducing balance basis, of each asset over its expected useful life as follows:

Operational freehold property	-	0% - 2%
Fixtures and fittings	-	15% - 33%
Motor vehicles	-	25% - 33%
Computer equipment	-	15% - 33%
Plant and machinery	-	5% - 33%

Freehold land is not depreciated.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life. Provision is made for any impairment in the period in which events or changes in circumstances indicate the carrying value may not be recoverable.

Goodwill arising on acquisitions in the year ended 31 March 1998 and earlier periods was written off to reserves as permitted by the accounting standard then in force. As permitted by the current accounting standard the goodwill previously written off to reserves has not been reinstated in the consolidated balance sheet.

Investment properties

Certain of the group's properties are held for long-term investment. Investment properties are accounted for as follows:-

- Investment properties are initially recognised at cost which includes purchase costs and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account and accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Fixed asset investments

Fixed asset investments in unquoted companies are recognised at cost less impairment.

Investments in subsidiaries, joint ventures and associates are recognised at cost less impairment.

Equity investments

Equity investments are recognised at cost less impairment.

Stocks and work in progress

Stocks and work in progress of property are stated at the lower of cost and net realisable value. Cost includes land and building purchases, building costs and directly attributable overheads. Net realisable value is based on estimated selling price less further costs to completion and disposal.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS At 31 March 2023

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Corporation tax is provided at amounts expected to be paid (or recovered) 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, with the following exceptions:

- 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.

Pension costs

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

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at transaction price.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on demand

Financial instruments

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

1. ACCOUNTING POLICIES (CONTINUED)

Impairment of financial assets (continued)

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statement;

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

1. ACCOUNTING POLICIES (CONTINUED)

Judgements and key sources of estimation uncertainty (continued)

- Valuation of stock
- Revaluation of investment properties
- Deferred taxation asset recognition
- Recognition of cost of sales is calculated on gross margin and considered on an individual development basis. The costs are recognised from the current cost to complete.

Operating Leases

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged to the profit and loss account on a straight line basis over the lease term.

Dividends

Dividend income is recognised in the profit and loss account on the date the Company's right to receive payments is established.

Interest receivable and interest payable

Interest payable and similar expenses include interest payable. Other interest receivable and similar income include interest receivable on funds invested, loans granted and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Short term employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity.

2. TURNOVER

Turnover, which arises from continuing activities, is derived wholly in the UK market, and represents:

	2023 £'000	2022 £'000
Residential house sales	11,277	15,574
Sales of developed commercial properties	-	18,650
Other fees receivable	1,658	1,036
Rents receivable	3,614	2,708
Rent collection fees	52	138
	<hr/>	<hr/>
	16,601	38,106
	<hr/>	<hr/>

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

3. STAFF COSTS

The average monthly number of employees (including executive Directors) was:

	2023 Number	2022 Number
Directors' and management	5	6
Staff	56	58
	<hr/>	<hr/>
	61	64
	<hr/>	<hr/>
Their aggregate remuneration comprised:	2023 £'000	2022 £'000
Wages and salaries	3,924	4,307
Social security costs	451	473
Pension costs	198	281
	<hr/>	<hr/>
	4,573	5,061
	<hr/>	<hr/>

The Directors are the key management personnel of the company and their aggregate compensation is detailed below.

Directors' remuneration

Remuneration

The total amounts for Director's remuneration and other benefits was as follows:-

	2023 £'000	2022 £'000
Emoluments	626	603
Pension contributions for Directors in respect of money purchase schemes	32	112
	<hr/>	<hr/>
	658	715
	<hr/>	<hr/>

Highest paid director

Included in Directors' emoluments is the remuneration of the highest paid director of £222,719 (2022: £197,604). Pension contributions paid in the year for the highest paid director were £ 16,287 (2022: £9,600).

Pensions

Three directors are members of the defined contribution pension scheme.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS At 31 March 2023

4. NET FINANCE INCOME

	2023 £'000	2022 £'000
<i>Investment income</i>		
Bank interest receivable	18	1
Other interest receivable and similar income	-	13
Interest receivable from related undertakings	877	1,077
	<u>895</u>	<u>1,091</u>
<i>Interest payable and similar charges</i>		
Bank loans and overdrafts	286	209
Other interest payable	322	295
	<u>608</u>	<u>504</u>
<i>Finance income (net)</i>		
Investment income	895	1,091
Interest payable and similar charges	(608)	(504)
	<u>287</u>	<u>587</u>

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

This is stated after charging/(crediting):

	2023 £'000	2022 £'000
Depreciation of tangible fixed assets	46	48
Write (up)/down in the carrying value of stock	(905)	801
Provision (released)/ made against amount owed by related parties	(134)	6,000

Stock values were written down in the year following an assessment of net realisable value by the directors.

6. PROVISION AGAINST AMOUNT OWED BY RELATED PARTIES

A provision has been provided in the year against the amount owed by RO Properties Limited to the group of £516,426 (2022: (£6,000,000)).

7. AUDITOR'S REMUNERATION

	2023 £'000	2022 £'000
Fees payable to the company's auditor for:		
The audit of the company's accounts	57	5
The audit of the company's subsidiaries	<u>15</u>	<u>70</u>

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Analysis of tax charge in the year

The tax charge comprises:

	2023 £'000	2022 £'000
<i>Current tax</i>		
UK Corporation tax	421	(332)
Prior year adjustment	(74)	-
TOTAL CURRENT TAX	347	(332)
<i>Deferred tax</i>		
Origination and reversal of timing differences	(449)	-
TAX ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES	(102)	(332)
Tax relates to the following:		
Parent and subsidiaries	(102)	(332)
	(102)	(332)

(b) Factors affecting the tax charge for the year

	2023 £'000	2022 £'000
Loss on ordinary activities before tax as a standard	(6,459)	(936)
Profit multiplied by the standard United Kingdom standard rate of 19% (2022: 19%)	(1,227)	(178)
Effect of:		
Expenses not deductible for tax purposes	113	1
Capital allowances for the year in excess of depreciation	(25)	(168)
Investment disposal	9	-
Unrealised profit adjustment	(13)	13
Provision released against group balance	(123)	-
Exceptional income	(3,964)	-
Negative goodwill written off	4,183	-
Prior year adjustment	(74)	-
Pre acquisition losses recognised	(445)	-
Losses not recognised	839	-
Write back of deferred tax	71	-
Change in rate of deferred tax	(269)	-
Investment property fair value movements	823	-
Tax charge/credit for the year (note 8a)	(102)	(332)

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

8. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Corporation tax is calculated at 19% (2022: 19.00%) of the estimated assessable profit for the year. The 2021 Finance Bill announced in March 2021, which included the UK corporation tax rate increase to 25% from 1 April 2023 was substantively enacted on 24 May 2021. Deferred tax balances at the year-end have been measured at 25% due to managements expectation when they will be utilised.

The Group has tax losses of £8.1m available to carry forward and relieve the future profits of the Group, subject to HMRC approval. Deferred tax asset of £1,424,145 has been recognised in respect of these tax losses at 31 March 2023 (2022: £523,571).

9. DIVIDENDS

Group

There were no dividends paid during this year and the prior year.

Company

There were no dividends paid during this year and the prior year.

10. INVESTMENT PROPERTIES

Group

	<i>Investment Properties</i>		
	<i>Operational</i>		
	<i>long</i>		
	<i>Freehold</i>	<i>leasehold</i>	<i>Total</i>
	<i>Properties</i>	<i>Properties</i>	
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
<i>Cost or Value</i>			
At 1 April 2022	10,445	960	11,405
Additions	18,668	1,769	20,437
Reallocation of assets	(150)	150	-
Disposals	(900)	(1,770)	(2,670)
Revaluation	(4,473)	141	(4,332)
At 31 March 2023	23,590	1,250	24,840
<i>Depreciation</i>			
At 1 April 2022	-	-	-
Provided for in the year	-	-	-
Disposals	-	-	-
At 31 March 2023	-	-	-
<i>Net book value</i>			
At 31 March 2023	23,590	1,250	24,840
At 31 March 2022	10,445	960	11,405

Freehold and long leasehold land and buildings have been valued by the Directors and members of management, including members of the Royal Institution of Chartered Surveyors, on an open market basis at 31 March 2023 and the movement on revaluation represents the net movement for the year.

Freehold and long leasehold land and buildings with a carrying value of £10,500,000 (2022: £6,300,000) have been given as security against bank lending.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

10. INVESTMENT PROPERTIES (CONTINUED)

In October 2022 properties were transferred from subsidiary companies to Rowlandson Investments Limited. These properties were subsequently revalued as part of the year end procedure which resulted in a £1,815,914 impairment.

The group's freehold and long leasehold land and buildings are all held under operating leases with lessees.

The deemed historical cost of investment properties and head office is as follows:

	2023 £'000	2022 £'000
Operational leasehold properties	2,270	1,691
Freehold land and buildings	29,144	11,661
	<u>31,414</u>	<u>13,352</u>

11. TANGIBLE FIXED ASSETS

Group	Motor Vehicles £'000	Machinery, Equipment, Fixtures & Fittings £'000	Total £'000
<i>Cost or Value</i>			
At 1 April 2022	7	542	549
Additions	27	166	193
Disposals	(7)	-	(7)
Revaluation	-	-	-
	<u>27</u>	<u>708</u>	<u>735</u>
At 31 March 2023			
<i>Depreciation</i>			
At 1 April 2022	2	448	450
Provided for in the year	2	44	46
Disposals	(2)	-	(2)
	<u>2</u>	<u>492</u>	<u>494</u>
At 31 March 2023			
<i>Net book value</i>			
At 31 March 2023	<u>25</u>	<u>216</u>	<u>241</u>
At 31 March 2022	<u>5</u>	<u>94</u>	<u>99</u>

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS At 31 March 2023

11. TANGIBLE FIXED ASSETS (CONTINUED)

Company

	<i>Long Leasehold £'000</i>	<i>Plant & Machinery £'000</i>	<i>Fixtures & Fittings £'000</i>	<i>Computer Equipment £'000</i>	<i>Totals £'000</i>
COST OR VALUATION					
At 1 April 2022	960	1	14	68	1,043
Additions	(1)	-	1	34	34
Revaluations	1	-	-	-	1
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	960	1	15	102	1,078
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION					
At 1 April 2022	-	-	4	44	48
Charge for the year	-	1	1	17	19
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2023	-	1	5	61	67
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE					
At 31 March 2023	960	-	10	41	1,011
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
31 March 2022	960	1	10	24	995
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

12. FIXED ASSET INVESTMENTS

Group

	<i>Unquoted investments £'000</i>
At 1 April 2022	-
Additions	35
	<hr/>
As at 31 March 2023	35
	<hr/>
Company	
At 1 April and 31 March 2023	-
	<hr/>

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

12. FIXED ASSET INVESTMENTS (CONTINUED)

Company

	£'000
At 1 April 2022	209
Impairment of investments	-
Additions	1
At 31 March 2023	210

An impairment of loss £Nil (2022: £283,306) was recorded on the investment held in The Finance & Industrial Trust Limited during the year to 31 March 2023.

Subsidiary undertakings

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

Name and Nature of Business	Share Class	% of shares held by The Company		Subsidiary Undertakings	Held by
R O Ventures Limited* Dormant Company	Ordinary	100	-	-	Direct Holding
RO Property Management Limited* Estate & Property Managers Property Development	Ordinary	100	-	-	Direct Holding
RO Developments Limited* Development of Commercial Properties	Ordinary	100	-	-	Direct Holding
Luton Investco (2) Limited* Dormant Company	Ordinary	100	-	-	Direct Holding
RO St Bernards Limited* Property Development	Ordinary	-	100	-	RO Developments Limited
Macs Neighbourhood Centres Limited* Property Development	Ordinary	100	-	-	Direct Holding
Metis Homes Limited Development of Residential Properties	Ordinary	78.46	-	-	Direct Holding
Choughley Properties Limited* Holding Company	Ordinary	-	100	-	Derrymoyle Limited and Rowlandson Investments Limited
The Finance and Industrial Trust Limited* Company Secretarial Services	Ordinary Deferred	100 100	-	-	Direct Holding
S Graham Rowlandson & Co Limited* Accountancy, Taxation and Managerial Services	Ordinary	100	-	-	Direct Holding
Chegmac Property Company Limited* Dormant Company	Ordinary	100	-	-	Direct Holding
The Rowlandson Organisation Limited* Dormant Company	Ordinary	100	-	-	Direct Holding

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS At 31 March 2023

12. FIXED ASSET INVESTMENTS (CONTINUED)

<i>Name and Nature of Business</i>	<i>Share Class</i>	<i>% of shares held by The Company Subsidiary Undertakings</i>		<i>Held by</i>
Rowlandson Investments Limited* Investment Company	Ordinary	100	-	Direct Holding
Rowlandson Properties Limited* Dormant Company	Ordinary	-	99.9	Rowlandson Investments Limited
Land & Property Navigation Yard Limited* Investment Company	Ordinary	100	-	Direct Holding
Derrymoyle Limited* Holding Company	Ordinary	-	99.9	Rowlandson Investments Limited & Rowlandson Properties Limited
Metis Homes (Millers Brook) Limited* Property Development	Ordinary	-	100	Metis Homes Limited
ROW789 Limited* Estate Property Management	Ordinary	100	-	Direct Holding
RO St Leonards Limited* Investment Company	Ordinary	100	-	Direct Holding
Metis Build Limited* Property Development	Ordinary	-	100	Metis Homes Limited
RO Properties Limited* Development of Commercial Properties	Ordinary	-	100	Rowlandson Investments Limited
RO Group Property Ventures Limited* Holding Company	Ordinary	-	100	RO Properties Limited
RO 101 Limited* Holiday Lodge Development	Ordinary	-	100	RO Group Property Ventures Limited
RO 102 Limited* Holiday Lodge Development	Ordinary	-	100	RO 101 Limited
RO Chichester Limited* Investment Company	Ordinary	100	-	Direct Holding
RO Frome Limited* Property Investment	Ordinary	100	-	Direct Holding

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

12. FIXED ASSET INVESTMENTS (CONTINUED)

RO Regional Properties Limited* Property Investment	Ordinary	100	-	Direct Holding
RO Cornwall Limited* Holiday Lodge Investment	Ordinary	-	100	RO Properties Limited
RO Beachampton Limited* Development Company	Ordinary	100	-	Direct Holding
RO 103 Limited* Dormant Company	Ordinary	-	100	RO 101 Limited
RO Clarendon Limited* Dormant Company	Ordinary	100	-	Direct Holding
RO Solstice Limited* Dormant Company	Ordinary	100	-	Direct Holding
RO Staines Limited* Dormant Company	Ordinary	100	-	Direct Holding
RO Capital Partners Limited* Dormant Company	Ordinary	100	-	Direct Holding
F H White (Proprietary) Limited* Dormant Company	Ordinary	100	-	Direct Holding
Moorgate Services Limited* Dormant Company	Ordinary	100	-	Direct Holding
RO Real Estate Limited* Dormant Company	Ordinary	100	-	Direct Holding
Regent Hire & Service Garage (Finchley) Limited* Dormant Company	Ordinary	100	-	Direct Holding
RO Weybridge Limited* Dormant Company	Ordinary	100	-	Direct Holding

All companies above denoted with a * are controlled and consolidated by the Group and the Directors have taken the exemption from having an audit of its financial statements for the year ended 31 March 2023. This exemption is taken in accordance with the Companies Act s479A.

13. FIXED ASSET INVESTMENTS – JOINT VENTURES

Group

	<u>Nature of Business</u>	<u>Class of Share</u>	<u>Percentage Held</u>
BB Property Ventures Limited	Development of Residential Properties	Ordinary	50%

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

13. FIXED ASSET INVESTMENTS – JOINT VENTURES (CONTINUED)

The following information is given in respect of the group's share of the joint venture:

	2023 £'000	2022 £'000
At 1 April 2022	11	11
Share of profit retained by Joint Venture	1	-
	<hr/>	<hr/>
At 31 March 2023	12	11
	<hr/>	<hr/>

14. STOCKS AND WORK IN PROGRESS

<i>Group</i>	2023 £'000	2022 £'000
Work in progress	24,261	11,445
Land and buildings held for development	43,626	41,945
	<hr/>	<hr/>
	67,887	53,390
	<hr/>	<hr/>

Stock recognised as cost of sales during the year as an expense for the Group was £10,559,032 (2022: £26,296,009).

Company

The company had no stocks and work in progress.

15. DEBTORS

<i>Group</i>	2023 £'000	2022 £'000
Amounts falling due within one year:		
Trade debtors	605	514
Prepayments and accrued income	707	3,482
Other taxes	262	125
Other debtors	2,034	871
Amounts due from related undertaking	2,245	29,536
Deferred tax asset (note 17)	1,424	524
Corporation tax	-	343
	<hr/>	<hr/>
	7,277	35,395
	<hr/>	<hr/>

The deferred tax asset of £1,424,145 (2022: £523,571) is recoverable after more than one year.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

15. DEBTORS (CONTINUED)

<i>Company</i>	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
Amounts falling due within one year:		
Trade debtors	9	38
Prepayments and accrued income	2,584	2,082
Other debtors	40	77
Amounts due from related undertakings	109,149	100,867
Deferred tax assets (note 17)	-	21
Amounts due from associates	203	229
	<u>111,985</u>	<u>103,314</u>

Amounts owed and due from related parties are repayable on demand and are interest bearing at a rate of 2% above Bank of England base rate.

16. CREDITORS

<i>Group</i>	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
Amounts falling due within one year:		
Bank loans and overdrafts	698	1,121
Trade creditors	2,499	2,101
Other creditors	3,524	3,086
Other taxation and social security	141	139
Accruals and deferred income	1,579	3,567
Amounts due to related undertakings	10	10
Corporation tax	937	-
	<u>9,388</u>	<u>10,024</u>

Certain creditors are secured over stock and work in progress.

Bank loans are agreed on a site by site basis, with repayments being made as completions take place, with interest rates at 3.7% above Bank of England base rates. The RCF facility has been renewed after the year end at a rate of 2.25% above the relevant reference rate.

	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
Amounts falling due after more than one year:		
Bank loans are repayable as follows:-		
Due in 1-2 years	988	-
Due in 2-5 years	-	-
	<u>988</u>	<u>-</u>
Subordinated unsecured loan stock 2050	3,456	3,456
	<u>4,444</u>	<u>3,456</u>

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

16. CREDITORS (CONTINUED)

<i>Company</i>	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
Amounts falling due within one year:		
Trade creditors	64	121
Accruals and deferred income	115	123
Other creditors	20	24
Amounts due to group undertakings	1,694	1,514
Corporation tax	570	149
	<u>2,463</u>	<u>1,931</u>
	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
Amounts falling due after more than one year:		
Bank loans	-	-
Subordinated unsecured loan stock 2050	3,456	3,456
	<u>3,456</u>	<u>3,456</u>

The bank facilities of the group are secured by fixed and floating charges over certain freehold, long leasehold land and buildings and assets of subsidiary undertakings.

17. DEFERRED TAXATION

Group

	<i>£'000</i>
Asset at 1 April 2022	524
Write back of deferred tax asset	(71)
Deferred tax asset acquired on acquisition	70
Recognition of deferred tax	702
Change in rate	269
Prior year adjustment	(70)
	<u>1,424</u>
Asset at 31 March 2023	1,424

The deferred tax asset is analysed as follows:

	<i>Provided</i>		<i>Unprovided</i>	
	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>	<i>2023</i> <i>£'000</i>	<i>2022</i> <i>£'000</i>
Losses carried forward	1,424	524	2,406	792
	<u>1,424</u>	<u>524</u>	<u>2,406</u>	<u>792</u>
At 31 March	1,424	524	2,406	792

A deferred tax asset in respect of prior period trading losses of £702,799 (2022: £75,777) has been recognised in the current year to the extent that the Directors consider future trading profits are assured based on known projects and rentals and risk adjusted forecasts.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

17. DEFERRED TAXATION (CONTINUED)

No provision is required for the potential liability to taxation that would arise if the group's land and buildings were sold at the valuations given as the maximum potential liability that would crystallise if the properties were sold at the values stated is estimated to be £Nil (2022: £Nil).

<i>Company</i>	<i>Deferred Tax £'000</i>
At 1 April 2022	21
Release of deferred tax	(21)
At 31 March 2023 (see note 15)	<u>-</u>

18. CALLED UP SHARE CAPITAL

	2023	2022
Allotted, called up and fully paid		
1,322,926 (2022: 1,322,926) 'A' Ordinary shares of £0.001 each	1,323	1,323
272,743 (2022: 272,743) 'B' Ordinary shares of £0.001 each	273	273
18,967 (2022: 18,967) 'E' Ordinary shares of £0.001 each	19	19
	<u>1,615</u>	<u>1,615</u>

The A, B and E classes of shares have equal rights.

19. RESERVES

Group

Retained earnings

This reserve records all current and prior period retained profit and losses.

Merger reserve

This reserve records the difference between asset fair value and consideration and nominal value of shares following a merger.

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

20. FINANCIAL INSTRUMENTS

	<i>Group</i>		<i>Company</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Financial assets				
Financial assets measured at amortised cost	4,128	30,876	109,354	101,070
Financial liabilities				
Financial liabilities measured at amortised cost	7,709	5,003	-	-

Financial assets measured at amortised cost comprise trade debtors, loans and advances due from related undertakings and other debtors. Financial liabilities measured at amortised cost comprise bank loans and overdrafts, trade creditors, certain other creditors and amounts due to related undertakings.

21. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

a) Capital commitments

There were no capital commitments in the group or company.

b) Operating leases

The group is committed to the following future minimum lease payments under non-cancellable operating leases in respect of land, buildings, motor vehicles and plant and machinery.

	<i>31 March 2023</i>		<i>31 March 2022</i>	
	<i>Land & Buildings</i>	<i>Other</i>	<i>Land & Buildings</i>	<i>Other</i>
	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>	<i>£'000</i>
Operating leases which expire:				
Within one year	-	45	-	-
Between one and two years	-	24	-	33
In two to five years	-	13	-	-
In over five years	-	-	-	-
	<u>-</u>	<u>82</u>	<u>-</u>	<u>33</u>

c) Contingent liabilities

There are no contingent liabilities as at 31 March 2023.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

22. RELATED PARTY TRANSACTIONS

The group has taken advantage of the exemption available in Financial Reporting Standard 102 not to disclose transactions or balances between wholly owned group undertakings that have been eliminated on consolidation.

The following transactions, together with balances outstanding at the year-end, occurred with non-group companies under common control:

	Transaction	Value £
2023		
RO Properties Limited and Its subsidiaries	Rent collection fees received	51,800
	Management fees received	362,500
	Interest charge received	809,477
Amounts due from related parties by virtue of common directors	Amounts due from related party at year end	2,244,507
BB Property Ventures Limited	Amounts due from related party at year end	10,504
Key Management Personnel of the company	Amounts due at the year end	1,041,327
2022		
RO Properties Limited	Rent collection fees received	137,564
	Management fees received	730,000
	Interest charge received	1,077,021
	Amounts due from related party at the year end	28,111,341
William Harris Bacon Holdings (1961) Limited	Amounts due from related party at the year end	106,399
Key Management Personnel of the company	Amounts due at the year end	1,346,704

The loan to RO Properties Limited Group is unsecured. The year-end balance is repayable within the year and interest is charged at 2% over base.

The following transactions together with balances outstanding at the year end, occurred with subsidiaries which are not wholly owned:

Company	Transaction	Value £
2023		
Metis Homes Limited	Interest	1,050,773
	Amount due from related party at year end	11,441,252
	Management charge	115,000
2022		
Metis Homes Limited	Interest	726,508
	Amount due from related party at year end	5,661,136
	Management charge	115,000

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS

At 31 March 2023

23. CONTROLLING PARTY

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 together owning and controlling the issued share capital of RO Trading Limited.

24. BUSINESS COMBINATION

Rowlandson Investments Limited, a subsidiary company, acquired 100% share capital and voting rights of RO Properties Limited and its subsidiaries on the 4th October 2022 for the consideration of £24,210,205. This acquisition is considered to be a substantial strategic and financial benefit to the Group.

Subsidiaries acquired:-

Name of Company	County of Incorporation	% Ownership of Ordinary Shares	
RO Group Property Ventures Limited	UK	100%	Direct Subsidiary
RO 101 Limited	UK	100%	Indirect Subsidiary
RO 102 Limited	UK	100%	Indirect Subsidiary
RO 103 Limited	UK	100%	Direct Subsidiary
RO Chichester Limited	UK	100%	Direct Subsidiary
RO Clarendon Limited	UK	100%	Direct Subsidiary
RO Frome Limited	UK	100%	Direct Subsidiary
RO Regional Properties Limited	UK	100%	Direct Subsidiary
RO Solstice Limited	UK	100%	Direct Subsidiary
RO Staines Limited	UK	100%	Direct Subsidiary
RO Cornwall Limited	UK	100%	Direct Subsidiary

Details of the net assets acquired as at the date of acquisition are as follows:-

	£ 000's
Cash and cash equivalents	143
Property, plant and equipment	19,935
Trade receivables	11,101
Trade and other payables	(53,184)
	<u>(22,005)</u>
Satisfied by cash	(9)
Satisfied by equity	(24,201)
Total consideration transferred	<u>(24,210)</u>

The fair value of all assets and liabilities acquired were considered to be equal to their carrying value.

RO Trading Limited

NOTES TO THE FINANCIAL STATEMENTS At 31 March 2023

24. BUSINESS COMBINATION (CONTINUED)

On 4th October 2022, it was agreed that a debt of £45,062,536 owed by RO Properties Limited to Rowlandson Investments Limited would be settled by the issue of equity. The fair value of this debt at that date was estimated to be £24,201,000.

Acquisitions costs of £49,992 were charged to the income statements and shown under administrative expenses.

RO Properties Limited and its subsidiaries contributed £725,433 of net revenue and £85,048 profit after tax to the Group's consolidated income statement, excluding the exceptional items noted below.

25. EXCEPTIONAL ITEMS

As a result of the transaction set out in note 24, exceptional costs have been reported in the accounts of RO Properties Limited and the consolidation of:

	£ 000's
Exceptional expenditure	<u>(1,152)</u>

26. 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 2023 or that requires disclosure.

27. NET DEBTS

Group	<i>Borrowings due within one year £'000</i>	<i>Borrowings due after one year £'000</i>	<i>Subtotal £'000</i>	<i>Cash & Cash Equivalents £'000</i>	<i>Net debt £'000</i>
Net debt analysis					
Balance at 1 April 2022	1,121	3,456	4,577	10,792	(6,215)
Cashflows	(423)	988	565	(6,140)	6,705
Changes arising from acquisition of subsidiary	-	-	-	143	(143)
Balance at 31 March	<u>698</u>	<u>4,444</u>	<u>5,142</u>	<u>4,795</u>	<u>347</u>