

**Company Number 520039**

**Rowe Estates (UK) Limited**  
**Statement of Accounts**  
**for the year ended 31 March 2010**

THURSDAY



\*AWUXJQ6C\*

A15

23/12/2010

215

COMPANIES HOUSE

**Walker Moyle**  
**Chartered Accountants**  
**Penzance, Cornwall**

## **Rowe Estates (UK) Limited**

### **Report of the Directors**

The Directors present their report and the audited Accounts of the Company for the year ended 31 March 2010.

#### **Principal Activities**

The principal activity of the Company is that of property investment and development.

#### **Dividends**

The Directors have decided not to recommend the payment of a dividend.

#### **Post Balance Sheet Events**

During the year the major part of the defined benefit pension scheme benefits were secured with Aviva through an interim 'buy out' arrangement. The winding up of the scheme is expected to be completed in the latter part of 2010.

#### **Fixed Assets**

The movements in fixed assets are shown in Notes 7, 8 and 9 to these Accounts.

The Directors are of the opinion that the value of the Company's properties is in excess of book value but the amount of the excess has not been quantified.

#### **Directors**

The Directors who served during the year were as follows:

R. Rowe  
R.J. Rowe  
M. Rowe  
C.R. Rowe  
C. Howeson  
C. Truscott  
G. Wilkinson

#### **Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company Law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent,
- (iii) prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act. 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.

## **Rowe Estates (UK) Limited**

### **Report of the Directors**

#### **Directors' Responsibilities Continued**

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. It is important to bear in mind that legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that so far as they are aware, there is no relevant audit information of which the Company's Auditors are unaware. They have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information

The Directors' report is prepared in accordance with the special provision of the Companies Act relating to Small Companies.

#### **Taxation Status**

In the opinion of the Directors, the Company is a close Company within the meaning of the Income and Corporation Taxes Act 1988.

#### **The Euro**

The impact of the Euro has been considered generally by the Company. Although the impact of the changeover to the Euro is not currently anticipated to be significant, this issue is being closely monitored.

By Order of the Board



**C ROWE**  
Director

Date 17th December 2010

**Independent Auditors' Report**  
**To the Members of Rowe Estates (UK) Limited**

We have audited the financial statements of Rowe Estates (UK) Limited for the year ended 31 March 2010, which comprise the Profit and Loss Account, the Balance Sheet, Statement of Total Recognised Gains and Losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

**Respective Responsibilities of Directors and Auditors**

As explained more fully in the Directors Responsibilities Statement set out on pages 1 and 2 the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

**Scope of the Audit**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/apb/scope/UKNP](http://www.frc.org.uk/apb/scope/UKNP)

**Qualified Opinion on Financial Statements Arising from Disagreement about Accounting Treatment**

As explained in Note 1(b), investment properties are shown at cost instead of at their open market value as required by Statement of Standard Accounting Practice No. 19. The open market value of the investment properties as advised by the Directors is considered to be £25.9 million (2009: £25.6 million).

Except for the failure to comply with Statement of Standard Accounting Practice No. 19 in revaluing the properties, in our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 March 2010 and of the profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matter prescribed by the Companies Act 2006**

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

**Independent Auditors' Report**  
**To the Members of Rowe Estates (UK) Limited**

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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



Christopher Moyle FCA (Senior Statutory Auditor)  
For and on behalf of Walker Moyle Chartered Accountants, Statutory Auditor  
Alverton Pavilion  
Trewithen Road  
Penzance  
Cornwall TR18 4LS

Date: 20th December 2010

**Rowe Estates (UK) Limited**

**Profit and Loss Account**  
**for the year ended 31 March 2010**

	<b><u>Note</u></b>	<b><u>2010</u></b> <b><u>£</u></b>	<b><u>2009</u></b> <b><u>£</u></b>
Turnover	<b>2</b>	2,913,317	3,034,496
Cost of Sales		19,274	8,695
Gross Profit		<hr/> 2,894,043	<hr/> 3,025,801
Administrative Expenses	<b>3</b>	1,428,098	2,246,610
Exceptional Item – Recovered Debt		(425,000)	-
<b>Operating Profit</b>		<hr/> 1,890,945	<hr/> 779,191
<b>Exceptional Items</b>			
Profit on Disposal of Property		-	214,239
Loss on Disposal of Subsidiary		(11,045)	-
		<hr/> (11,045)	<hr/> 214,239
		<hr/> 1,879,900	<hr/> 993,430
Income from Current			
Asset Investments		176,421	238,129
Provision against Current			
Asset Investments		12,873	(173,746)
Surplus of Expected Return on Scheme			
Assets over Interest Cost		100,000	-
Interest Payable	<b>5</b>	(681,706)	(690,237)
		<hr/> (392,412)	<hr/> (625,854)
		<hr/> 1,487,488	<hr/> 367,576
(Loss) on Disposal of Current			
Asset Investments		-	(5,421)
<b>Profit on Ordinary</b>			
<b>  Activities before Taxation</b>		<hr/> 1,487,488	<hr/> 362,155
Tax on Profit on Ordinary Activities	<b>6</b>	191,718	(55,355)
<b>Profit on Ordinary</b>			
<b>  Activities after Taxation</b>		<hr/> 1,295,770	<hr/> 417,510
(Increase) in Provision			
against Investments	<b>9</b>	(848,117)	(111,995)
<b>Profit for the Period</b>	<b>20</b>	<hr/> <hr/> 447,653	<hr/> <hr/> 305,515

**Continuing Operations**

None of the Company's activities were acquired or discontinued during the above two financial years

The Notes on pages 8 to 18 form part of these Accounts

**Rowe Estates (UK) Limited**

**Balance Sheet at 31 March 2010**  
**Company Number 520039**

	<b><u>Note</u></b>	<b><u>2010</u></b> <b><u>£</u></b>	<b><u>2009</u></b> <b><u>£</u></b>
<b>Fixed Assets</b>			
Tangible Assets			
Investment Properties	<b>7</b>	24,937,443	25,358,238
Other Tangible Fixed Assets	<b>8</b>	41,837	71,614
		<hr/>	<hr/>
		24,979,280	25,429,852
<b>Investments</b>			
Investments in Subsidiaries	<b>9</b>	100	114,724
Other Investments	<b>10</b>	127,399	127,399
Participating Interest	<b>11</b>	210,848	210,848
		<hr/>	<hr/>
		338,347	452,971
		<hr/>	<hr/>
		25,317,627	25,882,823
<b>Current Assets</b>			
Work in Progress		2,469,506	1,840,942
Debtors	<b>12</b>	5,271,423	3,051,382
Other Investments	<b>13</b>	424,424	388,262
Bank		596,933	1,502,873
Cash		150	1,762
		<hr/>	<hr/>
		8,762,436	6,785,221
<b>Creditors: Amounts Falling Due Within One Year</b>			
	<b>14</b>	1,619,399	1,643,294
		<hr/>	<hr/>
<b>Net Current Assets</b>		7,143,037	5,141,927
<b>Total Assets</b>			
		<hr/>	<hr/>
		32,460,664	31,024,750
<b>Creditors: Amounts Falling Due In More Than One Year</b>			
	<b>15</b>	13,600,000	11,700,000
		<hr/>	<hr/>
		18,860,664	19,324,750
<b>Provision for Liabilities and Charges</b>			
Deferred Income		-	178,739
Deferred Taxation	<b>18</b>	-	-
		<hr/>	<hr/>
		-	178,739
<b>Net Assets</b>			
		<hr/>	<hr/>
		18,660,664	19,146,011
<b>Capital and Reserves</b>			
Called up Share Capital	<b>19</b>	11,000	11,000
Share Premium Account		28,950	28,950
Profit and Loss Account	<b>20</b>	18,820,714	19,106,061
		<hr/>	<hr/>
<b>Shareholders' Funds</b>	<b>21</b>	18,860,664	19,146,011
		<hr/>	<hr/>

These Accounts were approved by the Board and authorised for issue on 17th December 2010

M ROWE

R J ROWE

) Directors

The Notes on pages 8 to 18 form part of these Accounts

**Rowe Estates (UK) Limited**

**Statement of Total Recognised Gains and Losses**  
**for the year ended 31 March 2010**

	<b><u>2010</u></b>	<b><u>2009</u></b>
Profit for the period	447,653	305,515
Actuarial loss on Staff Pension Scheme	(733,000)	-
	<b><u>(285,347)</u></b>	<b><u>305,515</u></b>



## **Rowe Estates (UK) Limited**

### **Notes to the Accounts at 31 March 2010**

#### **1. Accounting Policies**

The following accounting policies have been used in dealing with material items:-

**a) Basis of Accounting**

The Accounts have been prepared under the historical cost convention.

**b) Tangible Fixed Assets**

Depreciation is provided on property occupied by the Group and other tangible fixed assets at the following rates -

Freehold Property	2% per annum on cost
Long Term Leasehold Property	2% per annum on cost
Computers	30% per annum on cost
Other Equipment	20% per annum on cost
Vehicles	25% per annum on cost

Freehold buildings occupied by the Group are depreciated as from 1 April 1983. No depreciation is provided on freehold land occupied by the Group or on investment properties which are shown at cost. The Company has not complied with Statement of Accounting Practice No. 19 - Accounting for Investment Properties, which states that investment properties should be included in the Balance Sheet at their open market value.

**c) Taxation**

The charge for taxation is based on the results for the period and takes into account taxation deferred because of timing and other differences arising from treatment in different periods for taxation and accounting purposes. No provision is made, however, when there is reasonable evidence that no liability will arise in the foreseeable future.

**d) Government Grants**

Government Grants received have been treated as deferred assets but have been released in the year as it is now no longer required to be deferred.

**e) Pension Costs**

There are currently two pension schemes within the Company, one being a defined contribution scheme and the other a defined benefit scheme.

Contributions in respect of the Company's staff and Directors' defined contribution pension schemes, are charged to the Profit and Loss Account for the year in which they are payable to the scheme.

Contributions to the Company's defined benefit scheme take the form of fixed quarterly payments which are charged to the profit and loss account as they occur.

It has been decided not to recognise any surplus from defined benefit pension scheme as, under FRS17, the only method of recovery of the surplus would be through a refund from the scheme or through reduced future contributions to the scheme. As the Trustee is unlikely to agree to a refund and, the scheme being closed there are no future contributions, then it would not be prudent to recognise any surplus.

**f) Leasing**

Leasing costs are charged to the Profit and Loss Account in the period in which they occur.

**g) Work in Progress**

Work in progress is valued at the lower of cost and net realisable value. Costs include all direct expenditure of labour and materials. Long term work in progress is valued in accordance with SSAP 9.

**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**1. Accounting Policies Continued**

**h) Turnover**

Turnover is derived from the ordinary activities of the Company as described in note 2. Turnover represents sales stated after trade discounts, other sales taxes and net of Value Added Tax to United Kingdom customers except in respect of contracts where turnover is recognised when the Company obtains the right to consideration. Sales of property which form part of fixed assets are shown as exceptional items and are not part of turnover.

**2. Turnover**

Turnover consists of income from the following sources:-

	<b><u>2010</u></b>	<b><u>2009</u></b>
Rents Receivable from Tenants outside the Group	2,397,893	2,412,520
Service Charge to Members of the Group	513,020	620,478
Other Income	2,404	1,498
	<u>2,913,317</u>	<u>3,034,496</u>

**3. Administrative Expenses**

Administrative Expenses Include.

Depreciation on Tangible Fixed Assets	32,442	37,820
Depreciation no longer required	-	(1,534)
(Profit)/Loss on Disposal of Fixed Assets	(178,752)	2,664
Directors' Emoluments (See Note 4)	424,708	429,619
Other Staff Costs	1,119,018	917,122
Auditors' Remuneration	14,000	13,000
Vehicle Leasing	12,854	14,910
	<u>                    </u>	<u>                    </u>

**4. Directors**

Directors Emoluments

Management Remuneration	379,708	384,619
Money Purchase Pension Scheme Contributions	45,000	45,000
	<u>424,708</u>	<u>429,619</u>

The number of Directors who are accruing benefits under money purchase schemes

<u>3</u>	<u>3</u>
----------	----------

**5. Interest Payable**

Bank Interest	681,568	674,151
Other Interest	138	16,086
	<u>681,706</u>	<u>690,237</u>

**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**6. Taxation**

	<b><u>2010</u></b>	<b><u>2009</u></b>
Corporation Tax charge at 28% (2009. 28%) based on the profit of the period	189,963	71,557
Group Relief	(9,492)	(16,012)
Under provision in prior years	12,625	-
	<hr/>	<hr/>
	193,096	55,545
Deferred Taxation Equalisation of Capital Allowances and Depreciation	(1,378)	(110,900)
	<hr/>	<hr/>
	<u>191,718</u>	<u>(55,355)</u>

**7. Investment Properties**

	<b><u>Leasehold</u></b>			
	<b><u>Freehold</u></b>	<b><u>Long Term</u></b>	<b><u>Short Term</u></b>	<b><u>TOTAL</u></b>
<b>Cost</b>				
At 31 March 2009	24,711,482	644,128	2,628	25,358,238
Additions	64,081	-	-	64,081
Disposals	-	-	-	-
Transfer to Work in Progress	(484,876)	-	-	(484,876)
At 31 March 2010	<hr/>	<hr/>	<hr/>	<hr/>
	24,290,687	644,128	2,628	24,937,443

**8. Other Tangible Fixed Assets**

	<b><u>Vehicles</u></b>	<b><u>Fixtures &amp; Fittings</u></b>	<b><u>TOTAL</u></b>
<b>Cost</b>			
At 31 March 2009	4,000	409,419	413,419
Additions	-	2,702	2,702
Disposals	-	(901)	(901)
At 31 March 2010	<hr/>	<hr/>	<hr/>
	4,000	411,220	415,220
<b>Depreciation</b>			
At 31 March 2009	3,996	337,809	341,805
Charge for the Year	-	32,442	32,442
Disposals	-	(864)	(864)
At 31 March 2010	<hr/>	<hr/>	<hr/>
	3,996	369,387	373,383
<b>Net Book Value</b>			
At 31 March 2010	<hr/>	<hr/>	<hr/>
	4	41,833	41,837
At 31 March 2009	<hr/>	<hr/>	<hr/>
	4	71,610	71,614

# **Rowe Estates (UK) Limited**

## **Notes to the Accounts at 31 March 2010**

### **9. Investments In Subsidiaries**

		<b><u>2010</u></b>	<b><u>2009</u></b>
Shares at cost		2,506,381	2,621,006
Loans to Subsidiaries		4,056,378	3,210,560
		<u>6,562,759</u>	<u>5,831,566</u>
<u>Less</u>	Provision for Loss		
	on Investments	5,716,842	5,653,847
	Increase in Provision	848,117	111,995
	Transfer to Trade		
	Investment Provision	(2,300)	(49,000)
		<u>6,562,659</u>	<u>5,716,842</u>
		<u>100</u>	<u>114,724</u>

The subsidiary Companies at 31 March 2010 were:-

#### **Active**

Shepherds Wharf (Plymouth) Ltd  
Haven Jetty Co Ltd

#### **Inactive**

Computer Systems Western Ltd  
Cardrew No 1 Ltd  
Rowe Property Developments Ltd

All the subsidiaries are wholly owned and all are incorporated in England. The inactive Companies have been wound up after the year end.

### **10. Other Investments**

These are minority shareholdings in and loans to Companies owning fruit centres and are shown at cost:

<u>127,399</u>	<u>127,399</u>
----------------	----------------

### **11. Participating Interests**

The Company has also invested £210,848 in Future Inns, Plymouth which offers accommodation, restaurant and conference facilities. Rowe Estates (UK) Ltd has been admitted as a Limited Partner in the Limited Liability Partnership which consists of certain limited Partners and the general Partner (Future Inns, Plymouth, LLP).

### **12. Debtors**

Trade Debtors	996,443	492,181
Amounts owed by Companies Under Common Control	2,786,649	480,051
Amounts owed by Group Companies	1,279,542	1,313,444
Other Debtors	172,418	733,405
Prepayments	20,302	10,227
Corporation Tax	-	7,383
Deferred Tax Asset	16,069	14,691
	<u>5,271,423</u>	<u>3,051,382</u>

Other debtors contains £90,000 which is due in more than one year

**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**13. Other Investments**

	<b><u>2010</u></b>	<b><u>2009</u></b>
<b>Cost</b>		
Investments listed on a recognised Stock Exchange	424,424	388,262
<b>Market Value</b>		
Investments listed on a recognised Stock Exchange	559,858	430,640

**14. Creditors: Amounts Falling Due Within One Year**

Trade Creditors	706,445	722,081
Amounts owed to Companies Under Common Control	-	-
Amounts owed to Group Companies	-	-
Other Taxes and Social Security	168,063	248,203
Other Creditors	167,004	330,838
Accruals	340,847	194,844
Directors' Loan Accounts	56,569	91,783
Corporation Tax	180,471	55,545
	<u>1,619,399</u>	<u>1,643,294</u>

**15. Creditors: Amounts Falling Due In More Than One Year**

Bank loan repayable after five years not by Instalments	13,600,000	11,700,000
--	------------	------------

The loan of £13,600,000 matures in January 2014 and the rate of interest is variable. However the loan is hedged by the SWAP arrangement which limits the exposure to interest rate risk. The loan is secured by a fixed charge on several of the properties owned by the Company.

**16. Commitments**

**Pensions**

The Company sponsors a defined benefit scheme, the Rowe & Co Cornwall (Holdings) Limited Pension Fund ("the Scheme"), to provide retirement benefits for its previous employees.

The Scheme is funded by payment of contributions from the Company to a trustee administered fund.

Benefits were built up in the Scheme on a final salary basis although no benefits have accrued since 31 March 2006. Benefits for non-retired members are increased during the period between the date such members stopped accruing service in the Scheme and retirement in line with statutory requirements.

Expected rate of return on assets

The Scheme's assets consist entirely of insured annuities and it has therefore been assumed that future returns will be equivalent to the discount rate, i.e. be equivalent to returns on corporate bonds (5.6% per annum).

**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**16. Commitments Continued**

**Pensions Continued**

**Employee Benefit Obligations**

	<b><u>2010</u></b> <b><u>£'000</u></b>	<b><u>2009</u></b> <b><u>£'000</u></b>
Present value of funded obligations	5,307	4,042
Fair value of scheme assets	(5,307)	(6,465)
Deficit (Surplus)	-	(2,423)
Restriction of surplus under FRS17	-	2,423
Related deferred tax asset (see note 1)	-	-
Net liability	-	-
Amounts in the Balance Sheet (see note)		
Liabilities	5,307	4,042
Assets	(5,307)	(6,465)
Restriction of Surplus Under FRS17	-	2,423
Net liability	-	-

**Note 1**

No allowance has been made for deferred tax asset.

**Profit and Loss Account**

The amounts recognised in profit or loss are as follows:

	<b><u>2010</u></b> <b><u>£'000</u></b>	<b><u>2009</u></b> <b><u>£'000</u></b>
Current service cost	-	-
Interest cost	268	277
Expected return on scheme assets (restricted due to surplus in 2009 disclosures)	(368)	(277)
Past service cost	-	-
Losses (gains) on curtailments and settlements	-	-
Total	(100)	-
Actual return on scheme assets	(1,480)	(243)

**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**16. Commitments Continued**

**Pensions Continued**

Changes in Present Value of Obligation

Changes in the present value of the defined benefit obligation are as follows

	<b><u>2010</u></b> <b><u>£'000</u></b>	<b><u>2009</u></b> <b><u>£'000</u></b>
Opening defined benefit obligation	4,042	4,270
Current service cost	-	-
Interest cost	268	277
Actuarial losses (gains)	1,308	(354)
Losses (gains) on curtailments	-	-
Liabilities extinguished on settlements	-	-
Member contributions	-	-
Benefits paid	(311)	(151)
Closing defined benefit obligation	<u>5,307</u>	<u>4,042</u>

Scheme Assets

Changes in the fair value of scheme assets are as follows

	<b><u>2010</u></b> <b><u>£'000</u></b>	<b><u>2009</u></b> <b><u>£'000</u></b>
Opening fair value of scheme assets	6,465	6,458
Expected return on scheme assets	368	277
Restriction in surplus under FRS17	-	95
Actuarial gains and (losses)	(1,848)	(615)
Assets distributed on settlements	-	-
Employer contributions (see note 2)	633	401
Member contributions	-	-
Benefits paid	(311)	(151)
Closing fair value of scheme assets	<u>5,307</u>	<u>6,465</u>

Scheme Assets Continued

The Company has contributed £250,000 to the scheme in the 2009 financial year in order to fund the payment of accrued benefits. The Company also directly meets the costs of current pensions in payment on a discretionary basis

This is expected to continue at the same level of contribution for the 2010 financial year subject to any winding up of the scheme

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	<b><u>2010</u></b>	<b><u>2009</u></b>
Corporate bonds	-	57.3%
Index-linked gilts (nominal return)	-	42.6%
Cash	-	0.1%
Insured annuities	100.0%	-
Total	<u>100.0%</u>	<u>100.0%</u>

**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**16. Commitments Continued**

**Pensions Continued**

Actuarial Assumptions

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages)

	<b><u>2010</u></b>	<b><u>2009</u></b>
Discount rate	5.60%	6.90%
Expected return on scheme assets	5.60%	5.56%
Price inflation	3.50%	2.65%
Future pension increase		
Index-linked, maximum 5.0% pa, minimum 0.0% pa	3.40%	2.60%
Index-linked, maximum 2.5% pa, minimum 0.0% pa	2.30%	2.00%
Mortality assumptions		
Prior to retirement	PA92(YOB)mc	PA92(YOB)mc
In retirement (current pensioners)	PA92(YOB)mc	PA92(YOB)mc
In retirement (non-retirees)	PA92(YOB)mc	PA92(YOB)mc

Historical Disclosures

Amounts for the current and previous four periods are as follows

	<b><u>2010</u></b>	<b><u>2009</u></b>	<b><u>2008</u></b>	<b><u>2007</u></b>	<b><u>2006</u></b>
	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>	<b><u>£'000</u></b>
Defined benefit obligation	(5,307)	(4,042)	(4,270)	(4,855)	(4,580)
Scheme assets	5,307	6,465	6,458	6,189	4,790
Funded position – surplus (deficit)	-	2,423	2,188	1,334	210
Experience adjustments on liabilities	(38)	(135)	-	-	-
Experience adjustments on assets	(1,848)	(618)	(407)	99	613

Note 2

The employer contribution figure includes pensions and other benefits paid by the Company. The Company also operated defined contribution schemes for the benefit of its Directors and staff. The Company contributed £182,998 in the year (2009: £201,109)

Note 3

It will be noted that the Balance Sheet position shows that the assets and liabilities of the Scheme are now in balance. This reflects the buy-in agreement with Aviva, effective from 13 July 2009, under which the Trustee will ultimately secure all members' benefits in full by purchase of annuity policies. Accordingly the actuary has treated the assets of the Scheme as at 31 March 2010 as consisting of annuity policies whose value exactly matches that of the liabilities

The value of the Scheme's FRS17 liabilities has increased substantially since the previous year which is principally the result of a fall in bond yields requiring the use of a lower discount rate to value the liabilities. Expectations of future inflation have also increased since the prior year which produces a higher liability.



**Rowe Estates (UK) Limited**

**Notes to the Accounts at 31 March 2010**

**16. Commitments Continued**

**Pensions Continued**

**Note 3 Continued**

On the other hand, the value of the Scheme's assets shows a substantial fall on the FRS17 basis. This is because member's benefits have effectively been fully secured by annuity purchase and last year's asset value reflected the build up of funds in the scheme to achieve this. Now that the buy-in agreement with Aviva has taken place, however, FRS17 requires the Actuary to value the matching asset on the same basis as the corresponding liabilities, leading to a notional investment loss.

The total amounts included in the Statement of Total Realised Gains and Losses is a 'negative cost' of £100,000. This is due to the restriction on the surplus falling away because the assets and liabilities of the Scheme are now in balance following the annuity buy-in. This means that the expected return on assets is no longer restricted to the level of the interest cost.

**Vehicle Leasing**

The commitment for vehicle leasing under operating lease agreements will expire as follows:

Within one year	-
2-5 Years	12,822
	<u>12,822</u>

**17. Contingent Liability**

The Company has a contingent liability of £Nil (2009 £Nil) under guarantee to its bankers

The sole tenant of Trevithick Road, Camborne has paid the cost of a roller shutter door across both loading bays of the property. If another tenant is found to occupy the other half of the building then Rowe Estates (UK) Ltd has a contingent liability to repay half of the costs of the roller shutter door, i.e. £10,651

**18. Deferred Taxation**

	<b><u>2010</u></b>	<b><u>2009</u></b>
A deferred tax asset has arisen on the excess of depreciation over capital allowances		
At 31 March 2009	(14,691)	96,209
Transfer (from) taxation charge	(1,378)	(110,900)
At 31 March 2010	<u>(16,069)</u>	<u>(14,691)</u>

**19. Share Capital**

This consists of 11,000 Ordinary Shares of £1 each, authorised, issued and fully paid.

# **Rowe Estates (UK) Limited**

## **Notes to the Accounts at 31 March 2010**

### **20. Reserves (Profit and Loss Account)**

At beginning of year	19,106,061	18,800,546
Profit and Loss Account Transfer	447,653	305,515
Actuarial Loss on Staff Pension Scheme	(733,000)	-
At 31 March 2010	<u>18,820,714</u>	<u>19,106,061</u>

### **21. Reconciliation Of Movements On Shareholders' Funds**

Profit for the financial year after taxation	1,295,770	417,510
(Increase) in provision against investments	(848,117)	(111,995)
	<u>447,653</u>	<u>305,515</u>
Actuarial Loss	(733,000)	-
	<u>(285,347)</u>	<u>305,515</u>
Opening Shareholders' Funds at 1 April 2009	19,146,011	18,840,496
Closing Shareholders' Funds at 31 March 2010	<u>18,860,664</u>	<u>19,146,011</u>

### **22. Derivatives**

The Company has an interest rate swap agreement and has not opted to apply FRS26 and therefore the financial instrument has not been accounted for using fair value accounting. The financial instrument is carried at historical cost in the accounts.

The fair value of the derivative at 31 March 2010 is a liability of £1,226,212 (2009, £1,212,050).

### **23. Related Party Transactions**

During the year the Company made service and other charges to the following Companies which are under common control

	<b><u>Transaction</u></b>	<b><u>Outstanding at Year End</u></b>
Rowe & Co. Cornwall (Properties) Ltd	3,072,631	2,596,322
St Piran Homes Ltd	-	61
Horizon Roofing Ltd	27,622	2,464
Shepherds Wharf Ltd	29,000	1,036,909
Computer Systems Western Ltd	-	2,407,102
Cardrew No 1 Ltd	-	1,683,208

The Directors and their immediate family have made loans to Rowe Estates (UK) Ltd., which totalled £176,141 at 31 March 2010 (31 March 2009: £370,841) and received interest during the year of £Nil

Also during the year the Company purchased services from the following organisations in which the named Directors have an interest.

	<b><u>Transactions For Year</u></b>	<b><u>Outstanding at Year End</u></b>	<b><u>Maximum Outstanding</u></b>
C. Howeson - Eko - Tec Power	4,163	-	1,035
G Wilkinson - Ashfords	9,937	1,642	1,725
C Truscott - Lang Bennetts	13,154	-	5,750
C Truscott - C.T. Cornwall Ltd	5,400	-	1,350

## **Rowe Estates (UK) Limited**

### **Notes to the Accounts at 31 March 2010**

#### **24. Joint Venture**

The Company has an agreement with Aldermans Hill Ltd and Springdale Ltd in connection with the development and sale of apartments at Aldermans Hill, London. The apartments have all been sold but no money has been received by Rowe Estates (UK) Ltd and the case is subject to legal proceedings. There is a provision against the whole of this debt in these accounts pending the outcome of these proceedings.

#### **25. Holding Company and Ultimate Controlling Party**

The Ultimate Holding Company is Rowe Estates Holdings Limited and the Ultimate Controlling parties are the Directors/Shareholders of Rowe Estates Holdings Limited.

#### **26. Group Accounts**

These Accounts present information about the Company as an individual and not about its Group.

Group Accounts are not prepared because this Company and its Subsidiaries form a small sized Group. The Parent Company and Ultimate Holding Company is Rowe Estates Holdings Limited which is registered in England.

#### **27. Post Balance Sheet Events**

During the year the major part of the defined benefit pension scheme benefits were secured with Aviva through an interim 'buy out' arrangement. The winding up of the scheme is expected to be completed in the latter part of 2010.