

**RICH INVESTMENTS LIMITED**

**ANNUAL REPORT**

**31 MARCH 2011**

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# **RICH INVESTMENTS LIMITED**

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# **RICH INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

Directors	Peter C Rich Doreen T Rich Kenneth W Morgan
Secretary	Caroline Hall
Registered office	43 Portland Road London W11 4LJ
Registered number	879589
Registered auditors	Grant Thornton UK LLP Grant Thornton House Melton Street London NW1 2EP
Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY

# **RICH INVESTMENTS LIMITED**

## **REPORT OF DIRECTORS**

The Directors present their report and the audited financial statements for the year ended 31 March 2011

### **Principal activities**

The principal activities of the company are property investment and development. The principal activities of the company's subsidiary undertakings during the year were also property investment and development.

### **Results and dividend**

The results of the company for the year are set out on page 6. The directors have decided to declare a dividend of £1,000,000 (2010: £Nil).

### **Directors**

The directors of the company are listed on page 1. All the directors served in office throughout the year.

### **Donations**

The company made political donations of £26,464 (2010: £38,473).

### **Statement of directors' responsibilities for the financial statements**

Company law in the United Kingdom 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 and of the profit or loss of the company for that period. In preparing those 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 Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- 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 that are sufficient to show and explain the company's transactions and 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 2006. 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.

# **RICH INVESTMENTS LIMITED**

## **REPORT OF DIRECTORS (CONTINUED)**

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom

### **Disclosure of information to auditors**

At the date of making this report each of the company's directors, as set out on page 1, confirm the following

- so far as each director is aware, there is no relevant information needed by the company's auditors in connection with preparing their report of which the company's auditors are unaware, and
- each director has taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information

### **Auditors**

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with Section 487(2) of the Companies Act 2006 unless the company receives notice under Section 488(1) of the Act

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006

The report of the directors was approved by the Board on 28 June 2011 and signed on its behalf by



CAROLINE HALL  
Secretary

**RICH INVESTMENTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**TO THE SHAREHOLDERS OF RICH INVESTMENTS**  
**LIMITED**

We have audited the financial statements of Rich Investments Limited for the year ended 31 March 2011, which comprise the principal accounting policies, the profit and loss account, the statement of total recognised gains and losses, the balance sheet and notes 1 to 22. 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, 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 and express an opinion on 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 of the financial statements**

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/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2011 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities, and
- 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 Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

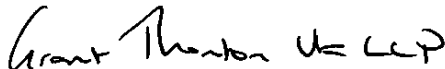
# **RICH INVESTMENTS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF RICH INVESTMENTS LIMITED (continued)**

### **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 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the report of the directors



Philip Westerman  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
London  
28 June 2011

**RICH INVESTMENTS LIMITED**

**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 MARCH 2011**

	NOTES	2011 £	2010 £
<b>Turnover</b>	1	2,155,828	1,713,541
Administrative expenses		(1,901,573)	(2,035,033)
Loss on disposal of fixed asset		-	(610,882)
Other operating income	1	322,289	127,952
<b>Operating profit/(loss)</b>	3	<u>576,544</u>	<u>(804,422)</u>
Investment interest receivable	2	159,595	173,637
Interest payable	5	(60,059)	(87,500)
<b>Profit/(loss) on ordinary activities before taxation</b>		<u>676,080</u>	<u>(718,285)</u>
Taxation on profit/(loss) on ordinary activities	6	(188,849)	(70,472)
<b>Profit/(loss) for the financial year after taxation</b>	19	<u><u>487,231</u></u>	<u><u>(788,757)</u></u>

**All of the activities of the company are classed as continuing**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES**

	2011 £	2010 £
Profit/(loss) for the financial year	487,231	(788,757)
Revaluation of investment and other properties	-	(11,846,402)
<b>Total recognised gain/(loss)</b>	<u><u>487,231</u></u>	<u><u>(12,635,159)</u></u>

# RICH INVESTMENTS LIMITED

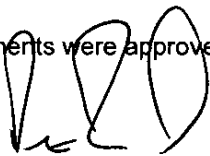
## BALANCE SHEET 31 MARCH 2011

	NOTES	2011 £	2010 £
<b>Fixed assets</b>			
Tangible assets			
- investment properties	8	20,678,827	25,640,000
- other freehold properties	9	2,000,000	2,000,000
- other tangible assets	10	28,842	27,974
Investments in subsidiary undertakings	11	242,789	242,789
Other investments	12	11,640	11,640
		<u>22,962,098</u>	<u>27,922,403</u>
<b>Current assets</b>			
Stocks	13	155,842	172,230
Debtors	14	12,199,626	14,172,423
Cash at bank and in hand		3,978,863	2,168,525
		<u>16,334,331</u>	<u>16,513,178</u>
<b>Creditors:</b> amounts falling due within one year	15	<u>(1,016,483)</u>	<u>(635,482)</u>
<b>Net current assets</b>		15,317,848	15,877,696
<b>Total assets less current liabilities</b>		38,279,946	43,800,099
<b>Creditors:</b> amounts falling due in more than one year	16	-	(5,000,000)
<b>Provisions for liabilities and charges</b>	17	<u>(263,537)</u>	<u>(270,921)</u>
<b>Net assets</b>		<u>38,016,409</u>	<u>38,529,178</u>
<b>Capital and reserves</b>			
Called up share capital	18	100,000	100,000
Revaluation reserve	19	12,114,434	13,400,676
Other reserve	19	1,565,869	279,627
Profit and loss account	19	24,236,106	24,748,875
<b>Equity shareholders' funds</b>	20	<u>38,016,409</u>	<u>38,529,178</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved by the Board on 28 June 2011 and signed on its behalf by

Peter C Rich  
Director  
Company Registration No 879589



# **RICH INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

### **1 ACCOUNTING POLICIES**

#### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The principal accounting policies of the company have remained unchanged from the previous year and are set out below

#### **Cash flow statement**

The company did not produce a cash flow statement in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

#### **Group accounts**

The company has not prepared group accounts in accordance with the special provision for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

#### **Turnover and other operating income**

Turnover comprises rental income from investment properties and is credited to the profit and loss account in the period to which the rental income relates, net of any rent payable in respect of that property. Where properties are subject to rent reviews, the increase in the rental is only brought into account when agreed, including the increase which may relate to a period commencing in a previous accounting period.

Other operating income includes management fees for administrative services.

#### **Depreciation and amortisation**

In accordance with Statement of Standard Accounting Practice No19, investment properties are stated at their open market value and no depreciation is charged thereon. The surplus or deficit on revaluation is transferred to the revaluation reserve, unless, on an individual investment property the deficit is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Other tangible fixed assets are depreciated as follows

Motor Vehicles	- 25% on cost
Fixtures and fittings	- 20% on cost

Other freehold property is held at valuation and is not depreciated in accordance with FRS15 because the directors review the value of the freehold property each year to assess if there has been impairment in value.

The directors consider that these accounting policies are necessary for the financial statements to give a true and fair view.

# RICH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### Deferred taxation

The payment of taxation is deferred or accelerated because of timing differences in the treatment of certain items for taxation and accounting purposes. Full provision for deferred taxation is made under the liability method, without discounting, on all timing differences that have arisen but not reversed by the balance sheet date, unless such provision is not permitted by FRS19. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

In accordance with FRS19 deferred tax is not provided on revaluation gains on land and buildings unless there is a binding agreement to sell them at the balance sheet date.

### 2 INVESTMENT INTEREST RECEIVABLE

	2011 £	2010 £
Bank and other short term interest	14,592	15,842
Interest receivable from related companies	<u>145,003</u>	<u>157,795</u>
	<u><u>159,595</u></u>	<u><u>173,637</u></u>

### 3 OPERATING PROFIT/(LOSS):

	2011 £	2010 £
Operating profit/(loss) is arrived at after charging		
Depreciation	15,364	15,603
Auditor's remuneration		
- for audit services	8,538	10,620
- for taxation services	<u>24,742</u>	<u>34,804</u>

### 4 EMPLOYEES AND DIRECTORS

	2011 £	2010 £
Wages and salaries	901,948	1,207,189
Social security costs	104,685	152,145
Other pension costs	<u>201,204</u>	<u>105,749</u>
	<u><u>1,207,837</u></u>	<u><u>1,465,083</u></u>

Directors' remuneration amounted to £475,446 (2010 £708,227). The remuneration of the highest paid director was £410,685 (2010 £644,047).

The average number of employees of the Company during the year was 13 (2010 13).

# RICH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 5 INTEREST PAYABLE

	2011 £	2010 £
Interest on amounts owed to group undertakings	60,027	87,500
Other interest	<u>32</u>	<u>-</u>
	<u><u>60,059</u></u>	<u><u>87,500</u></u>

### 6 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2011 £	2010 £
Current tax		
UK corporation tax on profits for the year	196,233	-
Prior Year	11,206	-
Origination of timing differences	<u>(18,590)</u>	<u>70,472</u>
	<u><u>188,849</u></u>	<u><u>70,472</u></u>

### 7 DIVIDENDS

Amounts recognised as distributions to equity holders in the period

	2011 £	2010 £
Final dividend (see Note 20)	<u><u>1,000,000</u></u>	<u><u>-</u></u>

# **RICH INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011**

### **8 TANGIBLE ASSETS - INVESTMENT PROPERTIES**

	Freehold £
<b>Valuation</b>	
At 1 April 2010	25,640,000
Additions	8,827
Transfer to Rich Investments (Holland Park) Limited (Note 22)	<u>(4,970,000)</u>
At 31 March 2011	<u>20,678,827</u>

The company's properties were last revalued in March 2010 by external valuers, Cushman & Wakefield LLP on the basis of market value in accordance with Royal Institution of Chartered Surveyors Appraisal and Valuation Standards. At 31 March 2011, the Directors have reviewed the carrying value of the investment properties and consider that the amounts stated in the accounts reflect a reasonable estimate of their market value.

The comparable amounts if stated under historic cost rules would be

	Freehold £
At 31 March 2011	<u>12,114,433</u>
At 31 March 2010	<u>12,728,069</u>

### **9 TANGIBLE ASSETS - OTHER FREEHOLD PROPERTIES**

<b>Valuation</b>	£
At 1 April 2010 and at 31 March 2011	<u>2,000,000</u>

# RICH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 10 OTHER TANGIBLE ASSETS

	Motor Vehicles £	Fixtures and Fittings £	Total £
<b>Cost</b>			
At 1 April 2010	94,758	249,125	343,883
Additions	-	16,232	16,232
At 31 March 2011	<u>94,758</u>	<u>265,357</u>	<u>360,115</u>
<b>Depreciation</b>			
At 1 April 2010	76,126	239,783	315,909
Charge for year	8,281	7,083	15,364
At 31 March 2011	<u>84,407</u>	<u>246,866</u>	<u>331,273</u>
<b>Net book value</b>			
At 31 March 2011	<u>10,351</u>	<u>18,491</u>	<u>28,842</u>
At 31 March 2010	<u>18,632</u>	<u>9,342</u>	<u>27,974</u>

### 11 INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

<b>Cost</b>	£
At 1 April 2010	<u>242,789</u>
At 31 March 2011	<u>242,789</u>

Name of subsidiary undertakings	Country of registration	Interest in ordinary shares
Rich Investments (Eastbourne) Limited	England	100%
Cirencester Estates Limited	England	100%
Rich Investments (Holland Park) Limited	England	100%

### 12 OTHER INVESTMENTS

	2011 £	2010 £
Unlisted investments - at value	<u>11,640</u>	<u>11,640</u>

### 13 STOCKS

Stocks, which are valued at the lower of cost and net realisable value, comprise

	2011 £	2010 £
Paintings	<u>155,842</u>	<u>172,230</u>

# RICH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 14 DEBTORS

	2011 £	2010 £
Trade debtors	94,591	60,054
Amount owed by subsidiary undertakings	6,894,258	2,150,000
Amounts owed by related companies	5,203,891	11,932,472
Corporation tax	-	28,413
Other debtors	6,885	1,484
	<u>12,199,626</u>	<u>14,172,423</u>

The company has given assurances to subsidiary undertakings and a related company that it will not demand repayment of amounts totalling £12,098,149 before 31 July 2012 at the earliest

### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2011 £	2010 £
Amounts owed to subsidiary undertakings	-	24,900
Corporation tax	191,406	-
Other taxation and social security	207,315	77,998
Other creditors	35,788	7,019
Accruals and deferred income	581,974	525,565
	<u>1,016,483</u>	<u>635,482</u>

### 16 CREDITORS DUE IN MORE THAN ONE YEAR

	2011 £	2010 £
Amount owed to ultimate parent undertaking (Note 22)	<u>-</u>	<u>5,000,000</u>

# RICH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 17 PROVISION FOR DEFERRED TAX

The amount of deferred taxation provided in these accounts is as follows

	2011 £	2010 £
Provision at start of year	270,921	200,449
Deferred tax charge for year	<u>(7,384)</u>	<u>70,472</u>
Provision at end of year	<u>263,537</u>	<u>270,921</u>

Unprovided deferred tax in respect of the revaluation of investment properties amounted to approximately £141,372 as at 31 March 2011 (2010 £483,000)

### 18 CALLED UP SHARE CAPITAL

	2011 £	2010 £
Authorised, allotted, issued and fully paid 1,000,000 ordinary shares of 10p each	<u>100,000</u>	<u>100,000</u>

### 19 RESERVES

	Revaluation reserve £	Other reserve £	Profit and loss account £	Total £
At 1 April 2010	13,400,676	279,627	24,748,875	38,429,178
Profit on ordinary activities after taxation	-	-	487,231	487,231
Dividends	-	-	(1,000,000)	(1,000,000)
Reserve transfer	<u>(1,286,242)</u>	1,286,242	-	-
At 31 March 2011	<u>12,114,434</u>	<u>1,565,869</u>	<u>24,236,106</u>	<u>37,916,409</u>

The other reserve represents a non-distributable reserve, from which the revaluation reserve associated with fixed assets which have been transferred from Rich Investments to other group companies is held. When the transferred properties are ultimately disposed of outside the group, this amount will be realised.

### 20 RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2011 £	2010 £
Profit/(loss) for the year	487,231	(788,757)
Revaluation in the year	-	(11,846,402)
Dividends (Note 7)	<u>(1,000,000)</u>	-
Net depletion in the shareholders' funds	(512,769)	(12,635,159)
Opening shareholders' funds	38,529,178	51,164,337
Closing shareholders' funds	<u>38,016,409</u>	<u>38,529,178</u>

# RICH INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2011

### 21 ULTIMATE PARENT COMPANY

The company's ultimate holding company is Tanhauser Investments (Bermuda) Limited, a company incorporated in Bermuda

### 22 RELATED PARTY TRANSACTIONS

The company entered into transactions with related parties during the year as follows

#### Year ended 31 March 2011

Property	Property Management Services provided £	Interest Receivable £
Rich Real Estate Limited	60,000	145,003
Cirencester Estates Limited	60,000	-
Rich Asset Management Limited	4,000	-
Rich Investments (Holland Park) Limited	5,000	-
Laytons Wine Services Limited	160,000	-

#### Year ended 31 March 2010

Property	Property Management Services provided £	Interest Receivable £
Rich Real Estate Limited	30,000	145,003
Cirencester Estates Limited	60,000	-
Rich Asset Management Limited	6,000	-

The amounts payable to and receivable from related parties at the year end were as follows

#### Year ended 31 March 2011

	Balance at the year end DR £	CR £
Rich Real Estate Limited	5,200,000	-
Cirencester Estates Limited	2,013,702	-
Rich Investments (Holland Park) Limited	4,880,558	-

#### Year ended 31 March 2010

	Balance at the year end. DR £	CR £
Jeroboams Limited	5,430,000	-
Rich Real Estate Limited	6,500,000	-
Cirencester Estates Limited	2,150,000	-
Rich Property Developments Limited	-	24,900
Tanhauser Investments (Bermuda) Limited	-	5,000,000

All of the above companies are related on the basis of having a director in common

During the year the Company sold properties to Rich Investments (Holland Park) Limited. The properties were transferred at their market value.

The loan from Tanhauser Investments (Bermuda) Limited was repaid in the year.