

RICH INVESTMENTS LIMITED

ANNUAL REPORT

31 MARCH 2015

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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 Nigel J. Wright appointed on 8th January 2015
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 2015.

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 declared and paid a dividend of £500,000 (2014:£3,000,000).

Directors

The directors of the company are listed on page 1. All the directors served in office throughout the year with the exception of Mr. Nigel J. Wright who was appointed on 8th January 2015.

Donations

The company made political donations of £48,990 (2014: £20,799) to the Conservative Party.

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 16 July 2015 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 2015, which comprise the principal accounting policies, the profit and loss account, the note of historical cost profit and losses, the statement of total recognised gains and losses, the balance sheet and notes 1 to 20. 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2015 and of its loss 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 from the requirement to prepare a strategic report or in preparing the Directors' Report.



Philip Westerman
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
London
16 July 2015

RICH INVESTMENTS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015

	NOTES	2015 £	2014 £
Turnover	1	1,193,978	1,290,325
Administrative expenses		(1,847,298)	(1,687,655)
Profit on disposal of fixed assets		-	1,683,109
Other operating income	1	155,422	174,991
Operating (loss)/profit	3	<u>(497,898)</u>	<u>1,460,770</u>
Investment interest receivable	2	9,310	22,560
(Loss)/profit on ordinary activities before taxation		<u>(488,588)</u>	<u>1,483,330</u>
Taxation on (loss)/profit on ordinary activities	5	3,847	(144,500)
(Loss)/profit on ordinary activities after taxation	18	<u><u>(484,741)</u></u>	<u><u>1,338,830</u></u>

Note of historic cost profits and losses

(Loss)/profit on ordinary activities before taxation	(488,588)	1,483,330
Realisation of revaluation gains of previous years	-	452,044
Historical cost (loss)/profit on ordinary activities before taxation	<u>(488,588)</u>	<u>1,935,374</u>
Current year tax charge on (loss)/profit on ordinary activities	3,847	(144,500)
Historical cost (loss)/profit on ordinary activities after taxation	<u><u>(484,741)</u></u>	<u><u>1,790,874</u></u>

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

	2015 £	2014 £
(Loss)/profit for the financial year	(484,741)	1,338,830
Realisation of revaluation gains of previous years	-	452,044
Revaluation of investment and other properties	2,022,839	-
Total recognised gains	<u><u>1,538,098</u></u>	<u><u>1,790,874</u></u>

All of the activities of the company are classed as continuing

RICH INVESTMENTS LIMITED

BALANCE SHEET 31 MARCH 2015

		2015 £	2014 £
	NOTES		
Fixed assets			
Tangible assets			
- investment properties	7	18,480,245	17,680,218
- other freehold properties	8	3,250,000	2,000,000
- other tangible assets	9	30,601	57,409
Investments in subsidiary undertakings	10	243,789	243,789
Other investments	11	1,000	1,000
		<u>22,005,635</u>	<u>19,982,416</u>
Current assets			
Stocks	12	122,472	122,472
Debtors	13	13,180,747	13,505,202
Cash at bank and in hand		<u>2,721,424</u>	<u>3,771,426</u>
		16,024,643	17,399,100
Creditors: amounts falling due within one year	14	<u>(347,415)</u>	<u>(733,238)</u>
Net current assets		15,677,228	16,665,862
Total assets less current liabilities		37,682,863	36,648,278
Provisions for liabilities and charges	15	<u>(194,565)</u>	<u>(198,078)</u>
Net assets		<u><u>37,488,298</u></u>	<u><u>36,450,200</u></u>
Capital and reserves			
Called up share capital	16	100,000	100,000
Revaluation reserve	17	13,125,924	11,103,085
Other reserve	17	1,565,869	1,565,869
Profit and loss account	17	<u>22,696,505</u>	<u>23,681,246</u>
Equity shareholders' funds	18	<u><u>37,488,298</u></u>	<u><u>36,450,200</u></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 16 July 2015 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 2015

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).

Going Concern

The directors have assessed that the company has adequate resources to continue in operational existence for a minimum of 12 months from the date of signing the financial statements. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

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.

Investments

Investments in subsidiary companies are valued at cost unless the investment has suffered an impairment in value, in which case they are written down to recoverable amount.

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

Depreciation

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.

The impact of this departure is not considered material to the financial statements.

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

	2015 £	2014 £
Bank and other short term interest	9,119	19,543
Other interest receivable	191	3,017
	<u>9,310</u>	<u>22,560</u>

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

3. OPERATING (LOSS)/PROFIT:

	2015 £	2014 £
Operating (loss)/profit is arrived at after charging:		
Depreciation	32,066	31,786
Auditor's remuneration		
- for audit services	10,000	11,000
- for taxation services	<u>10,000</u>	<u>6,000</u>

4. EMPLOYEES AND DIRECTORS

	2015 £	2014 £
Wages and salaries	788,441	1,118,918
Social security costs	97,376	155,497
Pension costs	<u>197,545</u>	<u>7,391</u>
	<u>1,083,362</u>	<u>1,281,806</u>

Directors' remuneration amounted to £351,843 (2014: £496,128). The remuneration of the highest paid director was £279,887 (2014: £354,884).

The average number of employees of the Company during the year was 12 (2014: 12).

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

	2015 £	2014 £
Current tax:		
UK corporation tax on (losses)/profits for the year	(334)	170,314
Deferred tax:		
Origination of timing differences	<u>(3,513)</u>	<u>(25,814)</u>
	<u>(3,847)</u>	<u>144,500</u>

6. DIVIDENDS

Amounts recognised as distributions to equity holders in the period:

	2015 £	2014 £
Final dividend (see Note 18)	<u>500,000</u>	<u>3,000,000</u>

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. TANGIBLE ASSETS - INVESTMENT PROPERTIES

	Freehold £
Valuation	
At 1 April 2014	17,680,218
Additions	27,188
Revaluation	<u>772,839</u>
At 31 March 2015	<u><u>18,480,245</u></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 2015, 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 £
Historical Cost b/f	7,065,878
Addition in year	<u>27,188</u>
Historical Cost c/f	<u><u>7,093,066</u></u>

8. TANGIBLE ASSETS - OTHER FREEHOLD PROPERTIES

	£
Valuation	
At 1 April 2014	2,000,000
Revaluation	<u>1,250,000</u>
At 31 March 2015	<u><u>3,250,000</u></u>

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

9. OTHER TANGIBLE ASSETS

	Motor Vehicles £	Fixtures and Fittings £	Total £
Cost			
At 1 April 2014	100,102	35,587	135,689
Additions	-	5,258	5,258
At 31 March 2015	<u>100,102</u>	<u>40,845</u>	<u>140,947</u>
Depreciation			
At 1 April 2014	59,874	18,406	78,280
Charge for year	25,025	7,041	32,066
At 31 March 2015	<u>84,899</u>	<u>25,447</u>	<u>110,346</u>
Net book value			
At 31 March 2015	<u>15,203</u>	<u>15,398</u>	<u>30,601</u>
At 31 March 2014	<u>40,228</u>	<u>17,181</u>	<u>57,409</u>

10. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Cost	£
At 1 April 2014	243,789
At 31 March 2015	<u>243,789</u>

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

11. OTHER INVESTMENTS

	2015 £	2014 £
Unlisted investments - at cost	<u>1,000</u>	<u>1,000</u>

12. STOCKS

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

	2015 £	2014 £
Paintings	<u>122,472</u>	<u>122,472</u>

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

13. DEBTORS

	2015 £	2014 £
Trade debtors	76,209	47,065
Amount owed by subsidiary undertakings	13,100,000	13,450,000
Amounts owed by related companies	124	1272
Other debtors	4,414	6,865
	<u>13,180,747</u>	<u>13,505,202</u>

The company has given assurances to subsidiary undertakings that it will not demand repayment of amounts totalling £13,100,000 before 31 July 2016 at the earliest.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £	2014 £
Corporation tax	-	19,840
Other taxation and social security	37,393	67,146
Other creditors	27,255	42,865
Accruals and deferred income	282,767	603,387
	<u>347,415</u>	<u>733,238</u>

15. PROVISION FOR DEFERRED TAX

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

	2015 £	2014 £
Provision at start of year	198,078	223,892
Deferred tax credit for year	<u>(3,513)</u>	<u>(25,814)</u>
Provision at end of year	<u>194,565</u>	<u>198,078</u>

Unprovided deferred tax in respect of the revaluation of investment properties amounted to an asset of approximately £204,921 as at 31 March 2015 (2014: £119,938)

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

16. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Authorised, allotted, issued and fully paid 1,000,000 ordinary shares of 10p each	<u>100,000</u>	<u>100,000</u>

17. RESERVES

	Revaluation reserve £	Other reserve £	Profit and loss account £	Total £
At 1 April 2014	11,103,085	1,565,869	23,681,246	36,350,200
Profit on ordinary activities after taxation	-	-	(484,741)	(484,741)
Revaluation	2,022,839	-	-	2,022,839
Dividends	-	-	(500,000)	(500,000)
At 31 March 2015	<u>13,125,924</u>	<u>1,565,869</u>	<u>22,696,505</u>	<u>37,388,298</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.

18. RECONCILIATION OF MOVEMENT IN EQUITY SHAREHOLDERS' FUNDS

	2015 £	2014 £
(Loss)/profit for the year	(484,741)	1,338,830
Revaluation in the year	2,022,839	-
Dividends declared and paid (Note 6)	<u>(500,000)</u>	<u>(3,000,000)</u>
Decrease/Increase in shareholders' funds	1,038,099	(1,661,170)
Opening shareholders' funds	<u>36,450,200</u>	<u>38,111,370</u>
Closing shareholders' funds	<u>37,488,298</u>	<u>36,450,200</u>

19. ULTIMATE PARENT COMPANY

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

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

20. RELATED PARTY TRANSACTIONS

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

Year ended 31 March 2015

Property	Property Management Services provided £
Cirencester Estates Limited	40,000
Rich Investments (Holland Park) Limited	10,000
Rich Investments (Notting Hill) Limited	6,500
Rich Real Estate Limited	50,000
Mr Christian's Limited	2,500

Year ended 31 March 2014

Property	Property Management Services provided £
Cirencester Estates Limited	40,000
Rich Investments (Holland Park) Limited	7,500
Rich Investments (Notting Hill) Limited	5,000
Rich Real Estate Limited	50,000
Mr Christian's Limited	1,750

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

Year ended 31 March 2015

	Balance at the year end: DR £	CR £
Cirencester Estates Limited	3,400,000	
Rich Investments (Holland Park) Limited	7,300,000	
Rich Investments (Notting Hill) Limited	2,400,000	
Laytons Wine Services Limited		17,951
Laytons Wine Merchants Limited	2,400	

Year ended 31 March 2014

	Balance at the year end: DR £	CR £
Cirencester Estates Limited	3,600,000	
Rich Investments (Holland Park) Limited	7,450,000	
Rich Investments (Notting Hill) Limited	2,400,000	
Laytons Wine Services Limited		18,444

Rents received

Year ended 31 March 2015	£
Laytons Wine Services Limited	65,000

Rents received

Year ended 31 March 2014	£
Laytons Wine Services Limited	60,000