

RICH INVESTMENTS LIMITED

ANNUAL REPORT

31 MARCH 2018

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RICH INVESTMENTS LIMITED

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RICH INVESTMENTS LIMITED

COMPANY INFORMATION

Directors	Peter C. Rich Edward I. Rich Suzanne H. Rich Nigel J. Wright John D. McNamara
Secretary	Caroline A. Hall
Registered office	43 Portland Road London W11 4LJ
Registered number	879589
Registered auditors	Grant Thornton UK LLP 30 Finsbury Square London EG2A 1AG
Bankers	HSBC Bank plc 69 Pall Mall London SW1Y 5EY

RICH INVESTMENTS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2018.

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 7. The directors have declared and paid a dividend of £25,000,000 (2017: £12,000,000).

Directors

The directors of the company are listed on page 1 and all served throughout the period. Doreen T Rich died on 11 June 2017.

Donations

The company made political donations of £46,750 (2017: £33,248) to the Conservative Party.

Directors' responsibilities statement

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, 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 and profit or loss of the company for that period.

In preparing these 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;
- 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

DIRECTORS' REPORT (CONTINUED)

Disclosure of information to auditors

The directors confirm that:

- so far as each director is aware, there is no relevant audit information which the company's auditors are unaware, and
- the directors have taken all the 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 are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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.

Small company provision

This report has been prepared in accordance with the provisions applicable to the small companies exemption.

The report of the directors was approved by the Board on 14 August 2018 and signed on its behalf by:



CAROLINE A HALL
Secretary

RICH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RICH INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Rich Investments Limited (the 'company') for the year ended 31 March 2018 which comprise the income statement, balance sheet, 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 company's affairs as at 31 March 2018 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 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.

Who we are reporting to

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

RICH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RICH INVESTMENTS LIMITED CONTINUED

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

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

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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 company or to cease operations, or have no realistic alternative but to do so.

RICH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF RICH INVESTMENTS LIMITED CONTINUED

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.

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



Philip Westerman
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London
14 August 2018

RICH INVESTMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

		2018 £	2017 £
	NOTES		
Turnover		354,632	600,907
Administrative expenses		(1,176,401)	(4,290,462)
Other operating income		159,599	170,457
Profit on disposal of investment properties	4	1,257,322	34,648,456
Revaluation of investment properties		-	(29,074)
Operating profit		<u>595,152</u>	<u>31,100,284</u>
Interest receivable		257,918	247,918
Interest payable		(2,858)	-
Profit on ordinary activities before taxation		<u>850,212</u>	<u>31,348,202</u>
Taxation on profit on ordinary activities		(70,457)	(5,409,342)
Profit on ordinary activities after taxation		<u><u>779,755</u></u>	<u><u>25,938,860</u></u>
PROFIT FOR THE YEAR		779,755	25,938,860
OTHER COMPREHENSIVE INCOME			
Revaluation gains and losses on freehold property	11	(38,399)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>741,356</u></u>	<u><u>25,938,860</u></u>

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above.

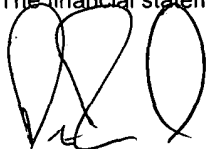
RICH INVESTMENTS LIMITED

BALANCE SHEET 31 MARCH 2018

		2018 £	2017 £
	NOTES		
Fixed assets			
Tangible assets	5	3,266,132	3,260,936
Investments	6	244,789	244,789
Investment properties	7	<u>4,742,500</u>	<u>5,335,000</u>
		<u>8,253,421</u>	<u>8,840,725</u>
Current assets			
Stocks		119,863	122,472
Debtors	8	17,918,292	15,766,256
Cash at bank and in hand		<u>6,815,631</u>	<u>34,360,004</u>
		24,853,786	50,248,732
Creditors: amounts falling due within one year	9	<u>(696,073)</u>	<u>(2,510,785)</u>
Net current assets		24,157,713	47,737,947
Total assets less current liabilities		32,411,134	56,578,672
Provisions for liabilities and charges		<u>(400,920)</u>	<u>(309,814)</u>
Net assets		<u><u>32,010,214</u></u>	<u><u>56,268,858</u></u>
Capital and reserves			
Called up share capital	10	100,000	100,000
Revaluation reserve	11	3,503,190	4,024,282
Other reserve	11	1,565,869	1,565,869
Retained earnings	11	<u>26,841,155</u>	<u>50,578,707</u>
Shareholders' funds		<u><u>32,010,214</u></u>	<u><u>56,268,858</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were approved by the Board on 14 August 2018 and signed on its behalf by:



Peter C. Rich
Director
Company Registration No. 879589

RICH INVESTMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY 31 MARCH 2018

	Share capital £	Retained earnings £	Other reserve £	Revaluation reserve £	Total equity £
Balance at 1 April 2016	100,000	26,726,062	1,565,869	13,938,067	42,329,998
Changes in equity					
Total comprehensive income	-	35,852,645	-	(9,913,785)	25,938,860
Dividends	-	(12,000,000)	-	-	(12,000,000)
Balance at 31 March 2017	100,000	50,578,707	1,565,869	4,024,282	56,268,858
Changes in equity					
Total comprehensive income	-	1,262,448	-	(521,092)	741,356
Dividends	-	(25,000,000)	-	-	(25,000,000)
Balance at 31 March 2018	100,000	26,841,155	1,565,869	3,503,190	32,010,214

The notes form part of these financial statements

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. STATUTORY INFORMATION

Rich Investments Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page 1.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The principal accounting policies of the company have remained unchanged from the previous year.

Group accounts

The financial statements contain information about Rich Investments Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Revenue and other operating income

Revenue 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 change in the rental is only brought into account when agreed, including the amount which may relate to a period commencing in a previous accounting period.

Other operating income includes management fees for administrative services.

Investment properties

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the profit and loss account. No depreciation is provided in respect of investment properties.

Investments

Investments in subsidiary companies are valued at cost less impairment.

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (continued)

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful

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

Freehold property is held at valuation and is not depreciated as the directors believe that the property is maintained to a high standard such that the residual value is not materially different to the carrying value.

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

Income and Expenses

Income and expenses are accounted for on an accrual basis in the income statement.

Share capital

Ordinary shares are classified as equity where there is no obligation to transfer cash or other assets.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Deferred taxation is provided on property gains at the rate expected to apply when the property is sold.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 12 (2017 - 12).

4. EXCEPTIONAL ITEMS

	2018	2017
	£	£
Profit on disposal of investment properties	1,257,322	34,648,456
Revaluation of investment properties	-	(29,074)

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

5. TANGIBLE ASSETS

	Land and buildings £	Plant and machinery etc £	Total £
Cost or valuation			
At 1 April 2017	3,250,000	110,445	3,360,445
Additions	38,399	15,660	54,059
Revaluation	(38,399)	-	38,399
At 31 March 2018	<u>3,250,000</u>	<u>126,105</u>	<u>3,376,105</u>
Depreciation			
At 1 April 2017	-	99,509	99,509
Charge for year	-	10,464	10,464
At 31 March 2018	<u>-</u>	<u>109,973</u>	<u>109,973</u>
Net book value			
At 31 March 2018	<u>3,250,000</u>	<u>16,132</u>	<u>3,266,132</u>
At 31 March 2017	<u>3,250,000</u>	<u>10,936</u>	<u>3,260,936</u>

Cost or valuation at 31 March 2018 is represented by:

	Land and buildings £	Plant and machinery etc £	Total £
Valuation	1,661,947	-	1,661,947
Cost	1,588,053	126,105	1,714,158
	<u>3,250,000</u>	<u>126,105</u>	<u>3,376,105</u>

Freehold properties were subject to valuation by the directors, who are not qualified valuers, on an open market basis. The methods and assumptions used to ascertain the fair values are as follows:

The valuations were prepared having regard to the market based evidence for similar properties sold in the local area, subject to occupational leases where relevant.

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £	Other investments £	Total £
Cost			
At 1 April 2017	243,789	1,000	244,789
At 31 March 2018	<u>243,789</u>	<u>1,000</u>	<u>244,789</u>

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

7. INVESTMENT PROPERTIES

	Total £
FAIR VALUE	
At 1 April 2017	5,335,000
Additions	7,500
Disposals	(600,000)
Revaluations	-
At 31 March 2018	<u>4,742,500</u>
NET BOOK VALUE	
At 31 March 2018	<u>4,742,500</u>
At 31 March 2017	<u>5,335,000</u>
Cost or valuation at 31 March 2018 is represented by:	
	£
Valuation	1,911,375
Cost	2,831,125
	<u>4,742,500</u>

These properties were subject to valuation by the directors, who are not qualified valuers, at 31 March 2018 on an open market basis. The methods and assumptions used to ascertain the fair value are as follows:

In accordance with RICS valuation standards, the valuations were prepared having regard to the market based evidence for similar properties sold in the local area, subject to occupational leases where relevant.

8. DEBTORS

	2018 £	2017 £
Due within one year		
Trade debtors	20,144	26,997
Amount owed by group undertakings	1,510	10,000
Other debtors	2,634	9,259
	<u>24,288</u>	<u>46,256</u>
Due after one year		
Amount owed by group undertakings	17,894,004	15,720,000
	<u>17,918,292</u>	<u>15,766,256</u>

The notes form part of these financial statements

RICH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Corporation tax	190,794	2,327,291
Other taxation and social security	377,542	4,130
Other creditors	29,718	44,474
Accruals and deferred income	98,019	134,890
	<u>696,073</u>	<u>2,510,785</u>

10. SHARE CAPITAL

Allotted, issued and fully paid			2018	2017
Number:	Class:	Nominal value:	£	£
1,000,000	Ordinary	10p	<u>100,000</u>	<u>100,000</u>

11. RESERVES

	Revaluation reserve
At 1 April 2017	4,024,282
Disposal - transfer to retained earnings	(513,336)
Revaluation of freehold property	(38,399)
Movement on deferred tax	30,643
	<u>3,503,190</u>

The aggregate surplus on revalued investment properties and freehold properties, net of associated deferred tax, is transferred to a separate non-distributable revaluation reserve in order to assist with the identification of profits available for distribution.

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