

RFML Partners Limited
31 December 2011

Company Number. 3689599

RFML PARTNERS LIMITED

REPORT AND ACCOUNTS

31 December 2011

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Directors and Officers

Directors

MRF Langdon
ND Morrill
PI Cartwright
MJR Harris
BS Slatter (appointed 4 July 2011)

Chairman

Secretary

N A Moss

Registered office

Cunard House
15 Regent Street
London
SW1Y 4LR

Registered number

3689599

Auditor

KPMG Audit Plc
8 Salisbury Square
London
EC4Y 8BB

Directors' Report For the Year Ended 31 December 2011

The directors present their report and the audited financial statements for the year ended 31 December 2011

Principal activities

The Company's principal activity is that of General Partner of The Rutland Partnership ("the Partnership"), a UK limited partnership which makes private equity and related investments through a private equity fund known as Rutland Fund I, which held its final closing on 30 March 2001. The life of the Partnership has been extended to 30 March 2013, and accordingly it is the intention of the Board that the Company will continue its current activities in the foreseeable future.

Results and dividends

The Company made neither a profit nor a loss on ordinary activities for the year, after taxation (2010 £nil). The directors do not recommend the payment of an ordinary dividend (2010 £nil).

Parent and ultimate parent undertaking

The parent undertaking is Rutland Holdco Limited, which is registered in England. Rutland Holdco Limited is a wholly owned subsidiary of the Company's Manager, Rutland Partners LLP, which is also registered in England. The ultimate parent undertaking is Rutland Fund Management Limited, which is registered in England. This is the parent undertaking of the only other group to consolidate the accounts of the Company. A copy of the consolidated accounts of Rutland Fund Management Limited may be obtained from the Company Secretary, Cunard House, 15 Regent Street, London SW1Y 4LR.

Directors

The directors, all of whom served during the year, are listed on page 1. BS Slatter was appointed a director on 4 July 2011.

Directors' and Officers' liability insurance

Directors' and Officers' liability insurance cover is maintained by the Manager in respect of the Company's directors and officers.

Auditor

KPMG Audit Plc have expressed their willingness to continue as auditor and in accordance with Section 487 of the Companies Act 2006 a resolution to approve their re-appointment as auditor will be submitted to the Annual General Meeting.

Taxation

The Company is considered to be a close company under the provisions of the Income and Corporation Taxes Act 1988.

Fixed assets

Details of fixed asset investments are set out in note 7.

Disclosure of information to the Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and the directors have taken all the steps that they ought to have taken as directors to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Report (continued)

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

By order of the Board



N A Moss
Company Secretary
23 April 2012

Independent Auditor's report to the members of RFML Partners Limited

We have audited the financial statements of RFML Partners Limited for the year ended 31 December 2011 set out on pages 5 to 10. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 the directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 web-site at 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 December 2011 and of its result for the year then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.



Iain Bannatyne (Senior Statutory Auditor)
For and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
8 Salisbury Square
London EC4Y 8BB
23 April 2012

Profit and Loss Account

For the year ended 31 December 2011

	Notes	2011 £000	2010 £000
Turnover	2	162	198
Administrative expenses	3	(162)	(198)
Result on ordinary activities before taxation	5	-	-
Taxation	6	-	-
Retained result for the financial year		-	-

All results shown in the above profit and loss account are from continuing operations

The Company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented

In respect of the result on ordinary activities before taxation and the retained result for the year, there is no difference between the figures stated above and their historical cost equivalents

The notes on pages 7 to 10 form part of the financial statements

Balance Sheet At 31 December 2011

	Notes	2011 £000	2010 £000
Fixed assets			
Investments	7	-	-
		-	-
Current assets			
Debtors	8	186	276
Cash at bank and in hand		-	-
		186	276
Creditors amounts due within one year	9	(181)	(271)
Net current assets		5	5
Net assets		5	5
Capital and reserves			
Called up share capital	10	5	5
Profit and loss account	11	-	-
Total equity shareholders' funds	12	5	5

The notes on pages 7 to 10 form part of the financial statements

The financial statements on pages 5 to 10 were approved by the Board of Directors on 23 April 2012 and were signed on its behalf by

MJR Harris
Director

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Notes to the Financial Statements

For the year ended 31 December 2011

1. Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom

(i) Basis of accounting

The financial statements have been prepared on the going concern principle on the basis that the shareholders have confirmed their financial commitment to the Company ensuring all obligations of the Company will be met as and when they fall due for the foreseeable future. The financial statements are prepared in accordance with the historical cost convention.

(ii) Limited Partnership Fund

The Company acts as General Partner of The Rutland Partnership, a UK Limited Partnership ("the Partnership"), to which total funds of £100m have been committed to make private equity and related investments. The Partnership Agreement provides for a term of ten years originally expiring on 30 March 2011, although the life of the Partnership may be extended for up to two years. In this regard, the appropriate consents of the Limited Partners were obtained to extend the life of the Partnership for one year to 30 March 2012, and in March 2012 for one further year to 30 March 2013. The Partnership can no longer make new investments and its remaining undrawn commitments may only be utilised for making follow-on investments or meeting expenses. Further details are given in Note 7. Investments held through the Partnership are made with the express intention of capital appreciation. The Company's investment in the Partnership is held at cost less any permanent impairment in value.

(iii) Turnover

Turnover is stated net of value added tax and is accounted for when it becomes due.

(iv) Deferred tax

Deferred tax assets and liabilities arise from timing differences between the recognition of gains and losses in the financial statements and their recognition for tax purposes. Deferred tax liabilities are fully recognised and deferred tax assets are recognised when it is considered more likely than not that the asset will be recoverable. Deferred tax assets and liabilities are recognised on an undiscounted basis.

Notes to the Financial Statements (continued)

2. Turnover

	2011	2010
	£000	£000
Priority profit share	162	198
	162	198

As General Partner of The Rutland Partnership, the Company is entitled to receive a priority profit share equal to

- Up to 30 March 2011 – 1.5% per annum of the net sums invested by the Partnership, being total amounts drawn down less amounts returned
- Up to 30 March 2012 – 1.0% per annum of net sums invested by the Partnership. At 31 December 2011 net sums invested were £20.9m
- Thereafter up to 30 March 2013 – an amount equal to the lesser of (i) 1.0% per annum of the aggregate amount of sums invested by the Partnership, and (ii) the aggregate amount by which the annual profit share is reduced by the offset of any investment management fees received by the Manager

The priority profit share, as set out above, is adjusted to take account of relevant fees credited and expenses charged in respect of the Partnership. The priority profit share receivable is accounted for by the Company as turnover.

3. Administrative expenses

	2011	2010
	£000	£000
Management services fee payable to the Manager (Note 4)	162	198
	162	198

4. Employee information

The Company had no direct employees during the year. The directors received no remuneration in respect of the Company but are Partners of and are remunerated by the Manager. Rutland Partners LLP acts as Manager of the Company under a management arrangements agreement and its related management services fee is included within administrative expenses.

5. Result on ordinary activities before taxation

Audit fees for the year amounting to £5,000 were borne by the Manager.

6. Taxation

	2011	2010
	£000	£000
Analysis of tax charge for the year		
UK Corporation tax on taxable profits for the year at 26.5% (2010: 28%)	-	-
	-	-

There were no factors affecting the tax charge for the year (2010: nil).

Notes to the Financial Statements (continued)

7 Investments

	2011 £000	2010 £000
At cost		
Investment in Limited Partnership	-	-
	-	-

The Company is the General Partner of The Rutland Partnership, a limited partnership which is incorporated in the UK and registered in England and Wales. The Company holds an investment of £1 as a Limited Partner in the limited partnership.

8 Debtors

	2011 £000	2010 £000
Amount due from Manager	41	74
Withholding tax recoverable	145	202
	186	276

9 Creditors: amounts falling due within one year

	2011 £000	2010 £000
Accruals and deferred income	181	271
	181	271

10. Share capital

	£000
Authorised, allotted, called up and fully paid 5,000 ordinary shares of £1 each At 31 December 2011 and 31 December 2010	5

11. Profit and loss account

	£000
At 1 January and 31 December 2011	-

12. Reconciliation of movements in shareholders' funds

	£000
At 1 January and 31 December 2011	5

Notes to the Financial Statements (continued)

13. Related party transactions

- (i) As described in Note 2, the Company is the General Partner of The Rutland Partnership ("the Partnership") and is entitled to receive a priority profit share which represents all the Company's turnover. At 31 December 2011 the following amounts were repayable to the Partnership and included in creditors
- Fees offset against priority profit share - £36,000 (2010 £69,000)
 - Withholding tax recoverable on behalf of the Partnership - £145,000 (2010 £202,000)
- (ii) The Company has taken advantage of the exemption under FRS 8 "Related Party Disclosures" from disclosing all transactions or balances between entities within the Rutland Fund Management Limited group that have been eliminated on consolidation in the consolidated accounts of the ultimate parent undertaking

14. Cash flow statement

The Company has not prepared a cash flow statement under the exemption contained in FRS1 "Cash Flow Statements" applicable to the Company, being a wholly owned subsidiary undertaking. A consolidated cash flow statement is included in the consolidated accounts of the ultimate parent undertaking

15. Exemption from preparing group financial statements

As disclosed in Note 7, the Company acts as General Partner of a UK limited partnership in which it has a participating interest, albeit small. This limited partnership is a subsidiary undertaking under the Companies Act 2006. The Company is exempt from the obligation, under section 400 of the Companies Act 2006, to prepare group financial statements and to deliver them to the Registrar of Companies on the grounds that the Company's results have been consolidated in the group financial statements of Rutland Fund Management Limited and Rutland Partners LLP. Consequently these financial statements present information about the Company as an individual undertaking and not about its group.