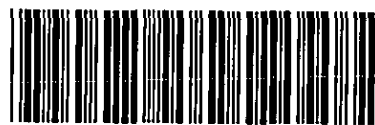


Ritz Products (UK) Limited

Registered number: 1923443

Report and Financial Statements For the year ended 31 December 2007

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Ritz Products (UK) Limited

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Ritz Products (UK) Limited

Directors' report for the year ended 31 December 2007

The directors present their report and the audited financial statements for the year ended 31 December 2007

Principal activity

The Company's principal activity has been the generation of royalty income from champagne sales bearing the "Ritz" mark

Additional revenue sources continue to be considered from the promotion of products bearing the "Ritz" mark

Proposed dividend and transfer to reserves

The results for the year are set out in the profit and loss account on page 5. The loss of £70,113 (2006 profit £80,680) has been transferred to reserves

The Directors do not recommend the payment of a dividend for the year (2006 Nil)

Directors

The Directors of the Company during the year ended 31 December 2007, were

A S Barclay	(Chairman)
F Klein	
C London	
E Massot	
R K Mowatt	
M Seal	

The Directors do not have any interest required to be disclosed under Schedule 7 of the Companies Act 1985

Ritz Products (UK) Limited

Directors' report for the year ended 31 December 2007 (continued)

Statement of directors' responsibilities

The following statement, which should be read in conjunction with the Auditors' Report regarding the respective responsibilities of Directors and Auditors, is made with a view to distinguishing for shareholders those respective responsibilities in relation to the Accounts

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 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the financial statements

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware and the Directors have taken all the steps that ought to have been 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

Auditors

A resolution to reappoint PricewaterhouseCoopers LLP as auditors to the company will be proposed at the annual general meeting

By order of the Board
For and on behalf of
Broomfield Secretarial Services Limited
Company Secretary



M Seal
Director
15 April 2008

Independent auditors' report to the members of Ritz Products (UK) Limited

We have audited the financial statements of Ritz Products (UK) Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Independent Auditors' Report to the members of Ritz Products (UK) Limited (continued)

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements



PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London
16 April 2008

Ritz Products (UK) Limited

Profit and loss account for the year ended 31 December 2007

	<i>Note</i>	2007 £	2006 £
Turnover		130,451	87,349
Administrative expenses		(206,649)	(6,669)
Operating (loss)/profit	2	(76,198)	80,680
Bank interest receivable		6,085	-
(Loss)/profit on ordinary activities before taxation		(70,113)	80,680
Taxation	4	-	-
(Loss)/pro fit for the year		(70,113)	80,680

All activities are classified as continuing

The Company has no recognised gains or losses other than the (loss)/profit for this financial year, and accordingly a statement of total recognised gains and losses has not been prepared

A note on historical cost profits and losses has not been included as part of these financial statements as the results disclosed in the profit and loss account are prepared on an unmodified historical cost basis

Ritz Products (UK) Limited

Balance sheet at 31 December 2007

	Note	2007 £	2006 £
Current assets			
Debtors amount falling due within one year	5	23,378	20,799
Cash at bank		212,163	87,808
		235,541	108,607
Creditors amounts falling due within one year	6	(203,311)	(6,264)
Net assets		32,230	102,343
Capital and reserves			
Called up share capital	8	610,000	610,000
Profit and loss reserve	9	(577,770)	(507,657)
Equity shareholders' funds	10	32,230	102,343

The financial statements on pages 5 to 10 were approved by the board of directors on 15 April 2008 and were signed on its behalf by



Director
M Seal


Director
F. Klein

Ritz Products (UK) Limited

1 Principal accounting policies

Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements

a) Basis of accounting

The financial statements have been prepared in accordance with the Companies Act 1985 and applicable accounting standards and under the historical cost convention

The financial statements have been prepared on a going concern basis which assumes that the Company will continue to trade. The shareholders have indicated that they will continue to make sufficient funds available to ensure that the Company will be able to trade for the foreseeable future. On this basis the Directors consider the going concern basis of preparation as appropriate.

The Company is exempt from the requirement of Financial Reporting Standard No 1 to prepare a cash flow statement as it is a small company under sections 246 and 249 of the Companies Act 1985 when filing accounts with the Registrar of Companies.

b) Taxation

Corporation tax is provided on taxable profits at the standard rate of corporation tax in the United Kingdom of 30 percent.

Deferred tax is recognised in respect of all timing differences arising from the different treatment for accounts and tax purposes of transactions or events recognised in the financial statements of the current and previous financial years. Deferred taxation is calculated at the rates at which it is estimated that the tax will arise.

c) Turnover

Turnover represents royalties earned from the profitable promotion of products bearing the "Ritz" name, and are recognised when these products have been sold.

d) Foreign currency conversion

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction is completed. Monetary assets and liabilities denominated in foreign currencies are translated to sterling at the exchange rates ruling at the balance sheet date.

Exchange gains or losses arising from trading transactions are included in operating profit. Exchange gains or losses arising from financing transactions are included in investment income or finance charges, as appropriate.

Ritz Products (UK) Limited

Notes to the financial statements for the year ended 31 December 2007

2 Operating (loss)/profit

	2007 £	2006 £
Auditors' remuneration for - audit services	3,000	3,000

3 Directors

None of the Directors received any emoluments during the year for their services to the Company (2006 Nil)

4 Taxation on ordinary activities

	2007 £	2006 £
(Loss)/profit on ordinary activities before tax	(70,113)	80,680
(Loss)/profit on ordinary activities multiplied by the standard rate in the UK of 30% (2006 30%)	(21,034)	24,204
Effects of Capital allowances	-	(1)
Assessed loss carried forward	21,034	-
Utilisation of assessed loss	-	(24,203)
Total tax charge	-	-

5 Debtors

	2007 £	2006 £
Amounts falling due within one year		
Trade debtors	22,968	20,799
Other debtors	410	-
	23,378	20,799

Ritz Products (UK) Limited

Notes to the financial statements for the year ended 31 December 2007

6 Creditors

	2007 £	2006 £
Amounts falling due within one year		
Accruals and deferred income	203,311	6,264

7 Deferred tax

No deferred tax asset or liability has been recognised at 31 December 2007 (2006 Nil). As the company does not have a history of making profits, shown below is the unrecognised deferred tax asset in connection with accumulated trading losses

	2007 £	2006 £
Balance at 1 January	136,398	160,601
Losses carried forward	21,034	-
Utilised during the year	-	(24,203)
Balance at 31 December	157,432	136,398

8 Called up share capital

	2007 £	2006 £
Authorised, allotted, called up and fully paid		
305,000 "A" Ordinary shares of £1 each	305,000	305,000
305,000 "B" Ordinary shares of £1 each	305,000	305,000
	610,000	610,000

There is no difference in the rights attaching to each class of share

9 Profit and loss reserve

	2007 £	2006 £
Balance at 1 January	(507,657)	(588,337)
(Loss)/profit for the year	(70,113)	80,680
Balance at 31 December	(577,770)	(507,657)

Ritz Products (UK) Limited

Notes to the financial statements for the year ended 31 December 2007

10 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
(Loss)/profit for the year	(70,113)	80,680
Opening shareholders' funds	<u>102,343</u>	<u>21,663</u>
Closing shareholders' funds	<u>32,230</u>	<u>102,343</u>

11 Related parties and ultimate controlling party

The Company is a joint venture between The Ritz Hotel (London) Limited, a wholly owned subsidiary of Ellerman Investments Limited, a company registered in England and Wales, and Ritz (Paris) Holdings Limited, a company registered in Jersey, Channel Islands, each of which holds 50% of the issued ordinary share capital and, as such has ultimate controlling party