

Ritz Products (U.K.) Limited
(Registered number: 1923443)

Report of the directors and financial statements
For the year ended 31 December 2017

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Ritz Products (U.K.) Limited

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Ritz Products (U.K.) Limited

Report of the directors' for the year ended 31 December 2017 (company number: 1923443)

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017. The Report of the directors has been prepared in accordance with the special provisions relating to small companies under section 415A of the Companies Act 2006. Accordingly a strategic report has not been prepared.

Principal activities and business review

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.

Future developments

The company will continue to promote the Ritz brand name and concentrate on maintaining and increasing sales in a difficult retail environment.

Proposed dividend and transfer to reserves

The results for the financial year set out in the statement of comprehensive income on page 6 and disclose a profit of £20,482 (2016: profit £43,613) which has been transferred to reserves.

The directors do not recommend the payment of a dividend for the year (2016: Nil).

Directors

The directors of the company during the year ended 31 December 2017 and up to the date of signing the financial statements were:

A.S. Barclay
C. Boyens
C. Fahy
F. Klein
M. Seal

Going Concern

In determining whether the company's accounts can be prepared on a going concern basis, the directors considered the company's business activities together with factors likely to affect its future development, performance and its financial position including cash flows, liquidity position and the principal risks and uncertainties relating to its business activities.

The company has carefully considered its cash flows for the next 12 months from the date of signing the audited financial statements. These have been appraised in the light of the uncertainty in the current economic climate.

After making appropriate enquiries the directors have a reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the Report and financial statements.

Ritz Products (U.K.) Limited

Report of the directors' report for the year ended 31 December 2017 (continued) (company number: 1923443)

Statement of directors' responsibilities

The directors are responsible for preparing the Report of the directors and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

The directors 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.

Disclosure of information to auditors

Each of the persons who are directors at the time when the Report of the directors' is approved has confirmed that:

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.

Financial risk management

The company's activities expose it to a variety of risks, including price risk, credit risk and liquidity risk. The company's overall financial risk management objective is to minimise potential adverse effects on the financial performance of the company.

(a) **Credit risk**


Credit risk arises from credit sales processed. The company manages this risk by performing valid credit checks on each prospective customer.

(b) **Liquidity risk**

The company is exposed to liquidity risk by continued losses being incurred over the previous financial years. The company is supported by shareholders who ensure that sufficient funds are available for financing its working capital requirements.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

By order of the board


M Seal
Director
4th June 2018



Ritz Products (U.K.) Limited

Independent auditors' report to the members of Ritz Products (U.K.) Limited

Report on the audit of the financial statements

Opinion

In our opinion, Ritz Products (U.K.) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the directors and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2017; the statement of comprehensive income, the cash flow statement and information on cash flows, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

- 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Report of the directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Ritz Products (U.K.) Limited

Independent auditors' report to the members of Ritz Products (U.K.) Limited (continued)

Report of the directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Report of the directors for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Report of the directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 2, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

Ritz Products (U.K.) Limited

Independent auditors' report to the members of Ritz Products (U.K.) Limited (continued)

Other required reporting

Companies Act 2006 exception reporting

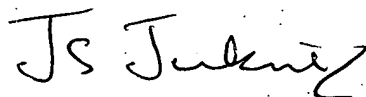
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Julian Jenkins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

4 June 2018

Ritz Products (U.K.) Limited

Statement of comprehensive income for the year ended 31 December 2017

	NOTE	2017 £	2016 £
Turnover		26,118	50,043
Administrative expenses		<u>(5,866)</u>	<u>(6,605)</u>
Operating profit	4	20,252	43,438
Interest receivable and similar income		<u>285</u>	<u>315</u>
Profit on ordinary activities before taxation	4	20,537	43,753
Tax on profit on ordinary activities	6	<u>(55)</u>	<u>(140)</u>
Total comprehensive income for the financial year		<u>20,482</u>	<u>43,613</u>

All activities are classified as continuing.

The notes on pages 9 to 11 are an integral part of these financial statements.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year and their historical cost equivalents for the years stated above.

Ritz Products (U.K.) Limited

Balance sheet as at 31 December 2017 (company number: 1923443)

	NOTE	2017 £	2016 £
Current assets			
Debtors	7	10,490	49,231
Cash at bank and in hand		<u>131,462</u>	<u>69,145</u>
		141,952	118,376
Creditors: amounts falling due within one year	8	<u>(6,155)</u>	<u>(3,062)</u>
Net assets		<u>135,797</u>	<u>115,314</u>
Capital and reserves			
Called up share capital	10	610,000	610,000
Retained earnings/(deficit)		<u>(474,203)</u>	<u>(494,686)</u>
Total equity		<u>135,797</u>	<u>115,314</u>

Statement of changes in equity as at 31 December 2017

	Called up Share capital £	Retained Earnings/ (deficit) £	Total equity £
At 1 January 2016	610,000	(538,299)	71,701
Profit for the financial year	-	43,613	43,613
At 31 December 2016	610,000	(494,686)	115,314
Profit for the financial year	-	20,483	20,483
At 31 December 2017	610,000	(474,203)	135,797

The notes on pages 9 to 11 are an integral part of these financial statements.

The financial statements on pages 6 to 11 were approved by the board of directors on 4th June 2018 and were signed on its behalf by:



M. Seal
Director



F. Klein
Director

Ritz Products (U.K.) Limited

Information on cash flows for the year ended 31 December 2017

Reconciliation of operating profit to net cash inflow/(outflow) from operating activities:

	2017	2016
Operating profit	20,252	43,438
Decrease/(increase) in debtors	38,741	(42,111)
Increase/(decrease) in creditors	3,039	(32,124)
Net cash inflow/(outflow) from operating activities	62,032	(30,797)

Cash flow statement for the year ended 31 December 2017

	2017	2016
Net cash inflow/(outflow) from operating activities	62,032	(30,797)
Taxation charged	-	(140)
Net cash generated from/(used in) operating activities	62,032	(30,937)
Interest received	285	315
Cash flow generated from financing activities	285	315
Net (decrease)/increase at cash at bank and in hand	62,317	(30,622)
Cash and cash equivalents at beginning of year	69,145	99,767
Cash and cash equivalents at end of year	131,462	69,145
Cash and cash equivalents are made up of:		
Cash at bank and in hand	131,462	69,145

Ritz Products (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2017

1. General information

Ritz Products (U.K.) Limited ("the company") is a marketing company established for the promotion of the "Ritz" mark.

The company is a private limited company, incorporated in the United Kingdom. The company's registered office is 150 Piccadilly, London, W1V 9DG.

2. Statement of compliance

The individual financial statements of Ritz Products (U.K.) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom 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.

Taxation

Corporation tax is provided on taxable profits and losses at the standard rate of corporation tax in the United Kingdom of 19.25% (2016: 20%).

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.

Turnover

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

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 (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2017

4 Operating profit

Operating profit is stated after charging:

	2017 £	2016 £
Auditors' remuneration for audit services	<u>3,100</u>	<u>3,000</u>

5 Directors and employees

None of the directors received any emoluments during the year for their services to the company (2016: Nil). The company had no employees (2016: nil) during the year.

6 Tax on profit on ordinary activities

	2017 £'000	2016 £'000
Current tax:		
United Kingdom corporation tax on ordinary profits of the year	55	63
Adjustment in respect of previous periods	-	77
Taxation on ordinary activities	<u>55</u>	<u>140</u>

The tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the United Kingdom, 19.25% (2016: 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>20,537</u>	<u>43,753</u>
Profit on ordinary activities multiplied by the standard rate in the United Kingdom of 19.25% (2016: 20%)	<u>3,953</u>	<u>8,751</u>
Effects of:		
Adjustment in respect of previous of previous periods	-	77
Utilisation of losses brought forward	<u>(3,898)</u>	<u>(8,688)</u>
Total taxation	<u>55</u>	<u>140</u>

7 Debtors

	2017 £	2016 £
Trade debtors	10,310	49,231
Other debtors	<u>180</u>	<u>0</u>
	<u>10,490</u>	<u>49,231</u>

Ritz Products (U.K.) Limited

Notes to the financial statements for the year ended 31 December 2017

8 Creditors: amounts falling due within one year

	2017 £	2016 £
Accruals and deferred income	6,155	3,062

9 Deferred tax

No deferred tax asset has been recognised, as recoverability is not certain (2016: none). The potential deferred tax asset, due to losses carried forward, is as follows:

	2017 £	2016 £
Balance at 31 December	73,357	78,221

10 Called up share capital

	2017 £	2016 £
Authorised and fully paid		
305,000 (2016: 305,000) "A" Ordinary shares of £1 each	305,000	305,000
305,000 (2016: 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.

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 Holdings Limited, a company registered in Jersey, Channel Islands, and The Ritz Hotel, Limited, a company registered in England and Wales, each of which holds 50% of the issued ordinary share capital and, as such, has no ultimate controlling party. There were no transactions between related parties.