

Company Registration No: 04735363

RANMIA LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2020



RANMIA LIMITED

DIRECTORS AND OFFICERS

DIRECTOR

R Tchenguiz

REGISTERED OFFICE

5th Floor
Leconfield House
Curzon Street
London
W1J 5JA

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

SOLICITOR

Osborne Clarke
One London Wall
London
EC2Y 5EB

RANMIA LIMITED

DIRECTOR'S REPORT

The director presents his report and the financial statements of Ranmia Limited for the year ended 31 May 2020.

Principal activities and business review

The principal activity of the company during the year was property investment. There were no additions or disposals of investment property during the year.

In the opinion of the director the results for the year and the financial position of the company at 31 May 2020 was satisfactory.

As disclosed in note 1.2, the director has concluded that the going concern basis of preparation is appropriate.

Investment properties

The investment property has been valued by the director at £51,250,000 (2019: £51,250,000). The resultant fair value change in the year amounted to £nil (2019: loss £250,000). Details of the investment property are set out in note 7.

Results and dividends

The profit for the year amounted to £102,013 (2019: loss £198,992). The director does not recommend the payment of a dividend (2019: none).

Directors

The following director has held office since 1 June 2019:

R Tchenguiz

RANMIA LIMITED

DIRECTOR'S REPORT (Continued)

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 those financial statements, the director is required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 director is 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.

Statement as to disclosure of information to auditor

The director who was in office on the date of approval of these financial statements has confirmed that, as far as he is aware, there is no relevant audit information of which the auditor is unaware. The director has confirmed that he has taken all the steps that they ought to have taken as director in order to make himself aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

The auditor, RSM UK Audit LLP, Chartered Accountants, has indicated its willingness to continue in office.

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

By order of the Board:



R Tchenguiz
Director

27 May 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANMIA LIMITED

Opinion

We have audited the financial statements of Ranmia Limited (the 'company') for the year ended 31 May 2020 which comprise a statement of comprehensive income, a statement of financial position, a 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 FRS 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 May 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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

Matters on which we are required to report by exception

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 director's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RANMIA LIMITED (Continued)

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the director's report.

Responsibilities of directors

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

Christopher Hurren BA FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor,
Chartered Accountants
Third Floor, One London Square,
Cross Lanes, Guildford,
Surrey, GU1 1UN

28 May 2021

RANMIA LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MAY 2020

	Notes	2020 £	2019 £
Rent receivable	2	3,735,397	3,626,600
Administrative expenses		(13,310)	(12,700)
Operating profit		<u>3,722,087</u>	<u>3,613,900</u>
Fair value (loss) on investment property	7	-	(250,000)
Interest payable and similar charges	3	(3,620,074)	(3,562,892)
Profit/(Loss) before taxation	4	<u>102,013</u>	<u>(198,992)</u>
Taxation	6	-	-
Profit/(Loss) after taxation		<u>102,013</u>	<u>(198,992)</u>
Other comprehensive income		-	-
Total comprehensive income/(expense) for the year		<u><u>102,013</u></u>	<u><u>(198,992)</u></u>

RANMIA LIMITED

STATEMENT OF FINANCIAL POSITION (Company Registration Number: 04735363)

AT 31 MAY 2020

	Notes	2020 £	2019 £
Fixed assets			
Investment properties	7	51,250,000	51,250,000
Debtors: amounts falling due within one year	8	22,046	13,379
Creditors: amounts falling due within one year	9	(1,884,602)	(1,683,542)
Net current liabilities		(1,862,556)	(1,670,163)
Total assets less current liabilities		49,387,444	49,579,837
Creditors: amounts falling due after more than one year	10	(46,804,961)	(47,099,367)
Net assets		2,582,483	2,480,470
Capital and reserves			
Called up share capital	11	100	100
Fair value reserve	11	7,000,237	7,000,237
Profit and loss account	11	(4,417,854)	(4,519,867)
Total equity		2,582,483	2,480,470

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue 27 May 2021 and are signed on its behalf by:



R Tchenguz
Director

RANMIA LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MAY 2020

	Share capital £	Fair value reserve £	Profit and loss account £	Total £
Balance at 1 June 2018	100	7,250,237	(4,570,875)	2,679,462
Total comprehensive income for the year	-	-	(198,992)	(198,992)
Transfer to fair value reserve of investment property revaluation loss in year	-	(250,000)	250,000	-
Balance at 31 May 2019	<u>100</u>	<u>7,000,237</u>	<u>(4,519,867)</u>	<u>2,480,470</u>
Total comprehensive income for the year	-	-	102,013	102,013
Balance at 31 May 2020	<u><u>100</u></u>	<u><u>7,000,237</u></u>	<u><u>(4,417,854)</u></u>	<u><u>2,582,483</u></u>

RANMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2020

1. Accounting policies

Company information

Ranmia Limited ("the Company") is a private company limited by shares, domiciled and incorporated in England. The address of the Company's registered office and principal place of business is 5th Floor, Leconfield House, Curzon Street, W1J 5JA. The principal activity of the company during the year was that of property investment.

1.1 Basis of accounting

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, and under the historical cost convention modified to include investment properties at fair value.

With effect from 1 June 2019 the company has adopted the amendments to FRS 102 published in the Triennial Review 2017. There are no adjustments to the current or comparative period in relation to this amendment.

1.2 Going Concern

Following a valuation in the year, the company's balance sheet shows net assets of £2,582,483 (2019: £2,480,470). However, the company has net current liabilities of £1,862,556 (2019: £1,670,163). The company's property investment and funding have been set up to be principally self-funding using the loan structure detailed in note 10. The lease agreement that the company has entered into with its tenant is subject to fixed, stepped increases each month until March 2026 when rent remains constant for the remaining 6 year term. The projected cash flows from these rentals exceed the anticipated cash outflows in respect of loan capital and interest payments.

The Director has assessed the company's loan and rental structure and has concluded that the company has sufficient working capital to enable it to meet its liabilities as they fall due for the foreseeable future. The Director therefore considers it appropriate to prepare the financial statements on the going concern basis.

The Director is aware that the Trustees of the company's ultimate controlling party, the Tchenguiz Discretionary Trust ("TDT"), have been in litigation concerning the extent to which the TDT is liable in respect of loans due to certain overseas companies, now in liquidation, which were previously controlled by the TDT. The Guernsey courts, and the Privy Council, have ruled that the TDT is liable for the loans. In the view of the Director, the assets of the TDT may not be sufficient to enable the TDT to meet its obligations under these loans. However, as part of the outcome of separate litigation, the extent of the TDT's liability will ultimately be determined by the privy Council in 2021.

During the period of the earlier litigation Joint Receivers have been appointed in Guernsey, which is the jurisdiction where the TDT is administered, to stand in place of the Trustees of the TDT to maintain and, where appropriate, realise the assets of the TDT, including the TDT's shares in the company. No distribution was able to be made from these assets or the proceeds, however, without the consent of the Guernsey court.

Recent negotiations and litigation have resulted in cash being ring fenced within the TDT that will be used to pay the creditors once the quantum of their liabilities has been determined. As a result of the ringfencing arrangement, around December 2019, the Joint Receivers returned the non-cash assets of the TDT to the trustees, including shares in the company.

Loans owed by the company can be met from rental cashflows received. The director considers that the company will be able to continue to meet its financial obligations and the accounts have been drawn up on that basis.

RANMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2020

1.3 Reduced disclosures

In accordance with FRS 102, the company has taken advantage of the exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value charges recognised in profit or loss and in other comprehensive income.

1.4 Functional and presentational currencies

The financial statements are presented in sterling which is also the functional currency of the company.

1.5 Rent receivable

Rental income from the investment property leased out under an operating lease is recognised in the profit and loss account on an accruals basis over the term of the lease. The effect of rent reviews is only recognised when such reviews have been agreed with tenants. Where rents are subject to fixed indexation in lieu of rent reviews, the rents are recognised on a systematic basis as income in the periods in which they are earned.

1.6 Loan finance charges

Loan finance costs are amortised over the term of the related borrowings and the loans to which they relate are stated after deducting the amount of the unamortised finance costs.

1.7 Investment properties

The investment property is initially measured at cost and subsequently measured at fair value. Changes in fair value are recognised in profit or loss.

1.8 Operating leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

RANMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2020

1.9 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the Company to consume substantially all of its economic benefits), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.10 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

RANMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2020

1.10 Financial instruments (continued)

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity Instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.11 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

RANMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 MAY 2020****1.11 Critical accounting estimates and areas of judgement (continued)*****Critical accounting estimates and assumptions***

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Valuation of investment property

The key accounting estimate in preparing these financial statements relates to the carrying value of the investment property which is stated at fair value. The company uses reports provided by Chartered Surveyors employed by the group's in house management company as a basis for determining the director's estimation of the fair value of the investment property. The company also use external valuations and have done over the past 2 years. However, the valuation of the company's investment property is inherently subjective, as it is made on the basis of valuation assumptions which may in future not prove to be accurate.

Deferred taxation

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

Going concern

As noted in accounting policy 1.2 on Going Concern, the cash flows of the company for the period up to 2032 are not judgmental or estimated. Therefore, on a purely cash basis there are no going concern issues. However, because of the other factors noted in policy 1.2, the directors have to consider the likely consequences of the situation described. The key judgement is summarised in policy 1.2 and the conclusion drawn is that the going concern basis of preparation of the financial statements is appropriate.

2. Rent receivable

The company's turnover for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

3. Interest payable and similar charges

	2020 £	2019 £
Loan interest payable to group undertakings	3,592,063	3,534,881
Amortisation of finance costs	28,011	28,011
	<u>3,620,074</u>	<u>3,562,892</u>

4. Profit/(Loss) before taxation

	2020 £	2019 £
The profit/(loss) before taxation is stated after charging:		
- Auditor's remuneration	2,830	2,800
	<u>2,830</u>	<u>2,800</u>

RANMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 MAY 2019****5. Employees and directors**

There were no employees during the year apart from the director who received no emoluments (2019: £nil).

No separate disclosure of key management remuneration included as no other staff members are considered to be key management.

6. Taxation	2020	2019
	£	£
Current tax		
UK corporation tax	-	-
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	-	-
Total tax on (loss)/profit	<u>-</u>	<u>-</u>

Factors affecting the tax charge for the year.

The tax assessed for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK 19% (2019: 19%). The differences are explained below:

	2020	2019
	£	£
Profit/(Loss) before tax	102,013	(198,992)
Profit/(Loss) multiplied by the standard rate of Corporation tax in the UK of 19% (2019: 19%).	19,382	(37,808)
Effects of:		
Disallowable expenditure	-	-
Tax losses utilised forward	(19,371)	(9,680)
UK transfer pricing	(11)	(12)
Fair value adjustment on investment property	-	47,500
Total tax charge	<u>-</u>	<u>-</u>

The company has losses of approximately £3 million (2019: £4 million) available for carry forward against future trading profits.

The deferred tax asset arising on the losses carried forward has not been recognised as their utilisation in the foreseeable future is considered remote.

No provision for deferred taxation has been made in respect of the property held as an investment which is included in these financial statements at a valuation of £51,250,000 (2019: £51,250,000). It is estimated that if this property were to be sold at that valuation the tax liability would amount to £nil (2019: £nil).

It was announced in the Chancellor's Budget on 11 March 2020 that the main rate of UK corporation tax would be maintained at 19% rather than reducing it to 17% from 1 April 2020. The main rate was also set at 19% for the tax year beginning 1 April 2021.

Therefore, the deferred tax liability as at 31 May 2020 has been calculated accordingly at 19%.

RAMNIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2020

7. Investment properties

	Freehold investment property	
	2020	2019
	£	£
Fair Value		
As at 1 June 2019	51,250,000	51,500,000
Fair value (loss)/gain	-	(250,000)
As at 31 May 2020	51,250,000	51,250,000

The property was valued as at 31 May 2020 at £51,250,000 (2019: £51,250,000) by the director based on reports provided to him by Chartered Surveyors employed by the group's in-house management company and an external valuation that was conducted during the prior year.

Valuations take into account tenure, lease terms, market conditions, inflation assumptions and sales prices based upon known market transactions for similar properties.

If the investment property was stated on a historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Freehold investment property	
	2020	2019
	£	£
Cost	44,249,763	44,249,763

The company's investment property is subject to a charge in connection with cross-guarantees and cross collateralisations of other group companies' investment properties as security for group loans (see note 10).

8. Debtors: amounts falling due within one year

	2020	2019
	£	£
Amounts due from group undertakings	22,046	13,379

9. Creditors: amounts falling due within one year

	2020	2019
	£	£
Loan from group undertakings (note 10)	1,663,280	1,457,530
Other taxation and social security	63,104	60,965
Other creditors	4,350	4,350
Accruals and deferred income	153,868	160,967
	1,884,602	1,683,542

RANMIA LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 MAY 2020

10. Creditors: amounts falling after more than one year

	2020 £	2019 £
Loans from group undertakings	46,804,961	47,099,367
Loan maturity analysis		
In less than one year	1,691,291	1,485,541
In more than one year but not more than two years	1,912,552	1,691,291
In more than two years but not more than five years	7,245,569	5,845,489
In more than five years	37,954,964	39,898,723
	48,804,376	48,921,044
Less: finance charges allocated to future periods	(336,135)	(364,147)
	48,468,241	48,556,897
Less: included in amounts due within one year	(1,663,280)	(1,457,530)
	46,804,961	47,099,367

The loans due to group undertakings consist of three loans of £8,658,999, £27,677,410 and £12,467,967 (2019: £9,220,903, £28,517,804 and £11,182,337).

Loans 1 and 2 are repayable by instalments by 2029 and 2032 respectively. They are financed by loans from a third party to the lending group undertaking, which are secured on the company's investment property, and bear interest at 5.693% and 6.185% respectively. The loans are subject to cross guarantees and cross-collateralisation of the underlying properties used as security for loans to other group undertakings. The total value of the group loans subject to this cross-collateralisation, including the company's loan, is £237,452,214 (2019: £246,615,990).

Loan 3 is unsecured, and also financed by a loan from a third party to the lending group undertaking. Interest is rolled up into the loan quarterly at 11.01% per annum. This loan, including the rolled up interest, will be repaid by lump sum in 2032.

11. Share capital and reserves

Share capital

	2020 £	2019 £
Allotted, issued and fully paid: 100 ordinary shares of £1 each	100	100

Ordinary share rights

The company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

Reserves

Reserves of the Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

Fair value reserve

Cumulative gross revaluation gains/losses on the company's investment property.

RANMIA LIMITED**NOTES TO THE FINANCIAL STATEMENTS (Continued)****FOR THE YEAR ENDED 31 MAY 2020****12. Operating lease commitments****Lessor**

The company's operating leases represent property leases. The rentals on the property are fixed and the lease expires in March 2032.

At the reporting end date, the company had outstanding commitments for future minimum lease receipts under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	3,892,459	3,735,397
Between one and five years	16,579,225	16,141,335
In over five years	30,899,999	35,030,348
	<u>51,171,683</u>	<u>54,907,080</u>

13. Ultimate parent company and ultimate controlling party

The company's immediate and ultimate UK parent company is Laudico Limited, which is the smallest and largest group for which group accounts containing this company are prepared. Laudico Limited is domiciled and incorporated in the UK. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The director regards the ultimate parent undertaking to be Oak Haven Properties Limited a company incorporated in the British Virgin Islands.

The director considers the ultimate controlling party to be the Tchenguiz Discretionary Trust.

14. Related party transactions

The company is related to other companies which are owned by trusts of which the director is a beneficiary. During the year, and included within administrative expenses, £2,680 (2019: £3,900) was charged as a management fee by Rotch Property Group Limited and £6,000 (2019: £6,000) was charged as a management fee by Prime Estates Property Management Limited, a subsidiary of Rotch Property Group Limited. Included within accruals and deferred income is a balance of £2,680 (2019: £3,900) due to Rotch Property Group Limited. A balance of £3,500 (2019: £3,500) was due to one such company, Dellweald Limited. This balance is included within other creditors. No interest accrues on this balance.

At the balance sheet date £850 (2019: £850) was due to the Tchenguiz Discretionary Trust, the companies ultimate controlling party and is included in other creditors. The company is also related to other companies controlled by the Tchenguiz Discretionary Trust. At the balance sheet date £189,651 (2019: £189,651) was due from one such company, R20 Limited in relation to the settling of related party balances. Full provision has been made for this balance. No interest accrues on either balance.

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.