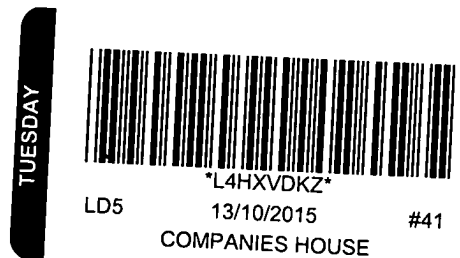


**Rocco Forte & Family  
(Hotel Management) Limited**

Report and Financial Statements

Year ended 30 April 2015

Company Number 4045930



# **Rocco Forte & Family (Hotel Management) Limited**

**Report and financial statements  
for the year ended 30 April 2015**

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## **Directors**

The Hon Sir Rocco J V Forte  
The Hon Mrs Olga M L A Polizzi Di Sorrentino

## **Registered office**

70 Jermyn Street, London, SW1Y 6NY

## **Auditor**

BDO LLP, 55 Baker Street, London, W1U 7EU

## **Bankers**

Bank of Scotland, The Mound, Edinburgh, EH1 1YZ

## **Solicitors**

Forsters LLP, 31 Hill Street, London, W1J 5LS

# Rocco Forte & Family (Hotel Management) Limited

## Strategic report for the year ended 30 April 2015

The Directors present their strategic report and the audited financial statements for the year ended 30 April 2015.

### Review of operations

The principal activity of the Company is the management of hotels in the UK, Europe, North Africa and the Middle East. Revenue of the Company was £8.7m in the year, up 8% on the previous year (2014 - £8.1m).

### Development of the business

The Company managed a portfolio of the following hotels during the year under review:

#### Owned or Leased Hotels

Hotel Amigo, Brussels

Brown's Hotel, London

The Charles Hotel, Munich

Hotel De Rome, Berlin

Hotel De Russie, Rome

Savoy, Florence

Verdura Golf & Spa Resort, Sicily

Villa Kennedy, Frankfurt

#### Hotels operated through Management Agreement

Assila Hotel and Residence, Jeddah (opening in first half of 2016)

The Shepherd Hotel, Cairo (closed for refurbishment in January 2014)

The Directors' strategy is to enhance the value and return of its existing portfolio of properties, whilst pursuing further expansion of the Rocco Forte brand in key international locations, primarily through management contracts or operating leases.

### Key performance indicators

In addition to regular review of the financial performance of the hotels, the Directors closely monitor a number of performance indicators alongside the financial results. These include the rate and occupancy performance of the hotels compared to their local competitive sets, independent assessments of service quality against operational service standards, direct research with customers, comment cards and online feedback direct to the hotel or through the feedback website.

### Principal risks and uncertainties

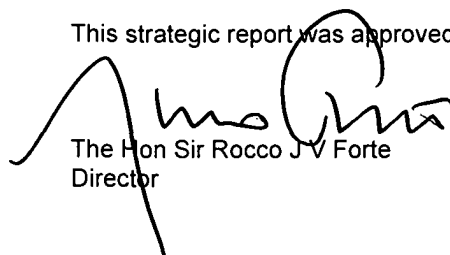
The Directors consider the following to be the principal risks and uncertainties facing the Company:

- Increased competition and supply in the luxury hotel market in certain locations;
- Possible recession and its potential impact on domestic and international travel;
- Continued access to financing and compliance with debt covenants;
- Exchange and interest rate exposure (see financial risk management below); and
- Global issues such as conflicts and pandemics that could affect international travel.

The Directors take measures to minimise the Group's exposure to these risks on an ongoing basis.

### Approval

This strategic report was approved on behalf of the Board on 29 September 2015 by:



The Hon Sir Rocco J V Forte  
Director

# **Rocco Forte & Family (Hotel Management) Limited**

## **Report of the Directors for the year ended 30 April 2015**

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The Directors present their annual report and the audited financial statements for the year ended 30 April 2015.

### **Directors**

The Directors of the Company, all of whom served throughout the year, except as noted were:

The Hon Sir Rocco J V Forte  
The Hon Mrs Olga M L A Polizzi Di Sorrentino  
Richard Power (resigned 27 April 2015)

### **Results and dividends**

The Company's loss after taxation for the 2015 was £1,154,576 (2014 – loss of £132,000). A dividend of £Nil was paid during the year (2014 - £Nil).

### **Financial risk management**

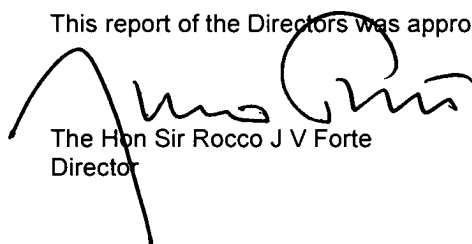
The company is susceptible to currency exposure which is managed at a Group level by Rocco Forte Hotels Limited, the Company's ultimate parent.

### **Provision of information to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

This report of the Directors was approved on behalf of the Board by:



The Hon Sir Rocco J V Forte  
Director

# **Rocco Forte & Family (Hotel Management) Limited**

## **Directors' responsibilities**

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The directors are responsible for preparing the strategic report, the report of the directors 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 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 these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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.

# **Rocco Forte & Family (Hotel Management) Limited**

## **Independent auditor's report**

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### **TO THE MEMBERS OF ROCCO FORTE & FAMILY (HOTEL MANAGEMENT) LIMITED**

We have audited the financial statements of Rocco Forte & Family (Hotel Management) Limited for the year ended 30 April 2015 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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 directors and auditors**

As explained more fully in the statement of directors' responsibilities, 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 Financial Reporting Council's (FRC'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 FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

#### **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 30 April 2015 and of its loss 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.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the strategic report and report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Rocco Forte & Family (Hotel Management) Limited

### Independent auditor's report (*continued*)

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#### 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.

BDO LLP

Stuart Collins (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
United Kingdom

29 September 2015

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Rocco Forte & Family (Hotel Management) Limited

## Profit and loss statement for the year ended 30 April 2015

	Note	2015 £'000	2014 £'000
<b>Turnover</b>	2	<b>8,734</b>	8,084
Administrative expenses		(9,665)	(8,195)
<b>Operating loss</b>		<b>(931)</b>	(111)
Interest receivable and similar income	4	11	9
Interest payable and similar charges	5	(234)	(30)
<b>Loss on ordinary activities before taxation</b>	3	<b>(1,154)</b>	(132)
Tax on loss on ordinary activities	8	-	-
<b>Loss on ordinary activities after taxation</b>	15	<b>(1,154)</b>	(132)

All activities are in respect of continuing operations.

The notes on pages 9 to 15 form part of these financial statements.



## **Rocco Forte & Family (Hotel Management) Limited**

### **Statement of total recognised gains and losses for the year ended 30 April 2015**

	<b>Note</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Loss for the year		<b>(1,154)</b>	(132)
Currency translation difference on foreign currency net investments	14	-	(4)
Total recognised losses for the year		<b>(1,154)</b>	(136)

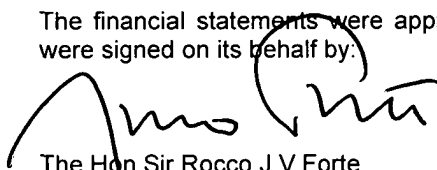
The notes on pages 9 to 15 form part of these financial statements.

**Rocco Forte & Family (Hotel Management) Limited**  
*Company number 4045930*

**Balance sheet at 30 April 2015**

	<b>Note</b>	<b>2015 £'000</b>	<b>2015 £'000</b>	<b>2014 £'000</b>	<b>2014 £'000</b>
<b>Fixed assets</b>					
Investments	9		380		277
<b>Current assets</b>					
Debtors due within one year	10	2,961		2,875	
Cash at bank and in hand		1,093		2,518	
		<u>4,054</u>		<u>5,393</u>	
<b>Creditors: amounts falling due within one year</b>	11	(2,351)		(2,318)	
<b>Net current assets</b>			<u>1,703</u>		<u>3,075</u>
<b>Total assets less current liabilities</b>			<u>2,083</u>		<u>3,352</u>
<b>Creditors: amounts falling due after one year</b>	12		(990)		(1,105)
<b>Net assets</b>			<u>1,093</u>		<u>2,247</u>
<b>Capital and reserves</b>					
Called up share capital	13		-		-
Foreign exchange reserve	14		1		1
Profit and loss account	15		1,092		2,246
<b>Shareholder's funds</b>	16		<u>1,093</u>		<u>2,247</u>

The financial statements were approved by the Board and authorised for issue on 29 September 2015. They were signed on its behalf by:

  
The Hon Sir Rocco J V Forte  
Director

The notes on pages 9 to 15 form part of these financial statements.

# Rocco Forte & Family (Hotel Management) Limited

## Notes forming part of the financial statements for the year ended 30 April 2015

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### 1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

#### *Basis of accounting*

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards and law.

#### *Investments*

Fixed asset investments are recorded at cost less allowance for impairment in accordance with FRS 11.

#### *Cash flow statement*

Under the provisions of FRS 1 (Revised 1996) 'Cash Flow Statements', the Company has not prepared a cash flow statement because its ultimate parent company, Rocco Forte Hotels Limited, prepares consolidated accounts. The cash flows of the Company are included in the consolidated cash flow statement.

#### *Exemption from preparation of group accounts*

The Company has taken advantage of section 400 of the Companies Act 2006 and elected not to prepare consolidated accounts as it is included in the consolidated accounts of a larger group. Accordingly these financial statements show company only results and not those of the group.

#### *Foreign currency*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at any forward contract rate. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Exchange differences arising on translation of investments in overseas operations and on foreign currency borrowings to the extent that they hedge the Company's investment in such operations, are recorded through reserves.

#### *Taxation*

Corporation tax payable is provided on taxable profits at the current rate of taxation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

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

# Rocco Forte & Family (Hotel Management) Limited

## Notes forming part of the financial statements for the year ended 30 April 2015 (continued)

### 1 Accounting policies (continued)

#### Turnover

Turnover, which excludes VAT, represents amounts receivable for hotel management services provided in the normal course of business. Turnover is recognised as the services are provided.

#### Related party disclosures

As a subsidiary company of Rocco Forte Hotels Limited, the Company has taken advantage of the exemption in FRS 8 'Related Party Disclosures' not to disclose transactions with other wholly owned members of the group headed by Rocco Forte Hotels Limited.

### 2 Segmental information

#### Geographical segmentation

	UK £'000	Europe £'000	Middle East £'000	Total £'000
Turnover:				
Continuing operations - 2015	1,670	6,468	596	8,734
Continuing operations - 2014	1,751	6,285	48	8,084

All results derive from the provision of hotel management services.

### 3 Loss on ordinary activities before taxation

Auditor's remuneration for audit services of the Company for the year of £12,000 (2014 - £9,000) and taxation services of £2,250 (2014 - £2,000) have been borne by its parent Rocco Forte Hotels Limited.

# Rocco Forte & Family (Hotel Management) Limited

## Notes forming part of the financial statements for the year ended 30 April 2015 (*continued*)

### 4 Interest receivable and similar income

	2015 £'000	2014 £'000
Receivable from Group companies	7	9
Bank interest	4	-
	<u>11</u>	<u>9</u>

### 5 Interest payable and similar charges

	2015 £'000	2014 £'000
Interest payable to Group companies	30	30
Foreign exchange losses	204	-
	<u>234</u>	<u>30</u>

### 6 Staff costs

The average monthly number of employees (including Executive Directors) during the year was:

	2015	2014
Administration	20	15
Sales	17	19
	<u>37</u>	<u>34</u>

	2015 £'000	2014 £'000
Their aggregate remuneration comprised:		
Wages and salaries	3,986	4,029
Social security costs	553	534
	<u>4,539</u>	<u>4,563</u>

### 7 Directors' remuneration

	2015 £'000	2014 £'000
The remuneration of the Directors was as follows:		
Executive Directors	<u>795</u>	<u>815</u>

The highest paid Director received £350,000 (2014 - £330,000).

## Rocco Forte & Family (Hotel Management) Limited

### Notes forming part of the financial statements for the year ended 30 April 2015 (*continued*)

#### 8 Tax on loss on ordinary activities

There is no tax payable in 2015 (2014 - £Nil).

The difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the loss before tax is as follows:

	2015 £'000	2014 £'000
Loss on ordinary activities before tax	(1,154)	(132)
Tax at 20.92 % (2014 - 22.84%)	(241)	(30)
Effects of:		
Expenses not deductible for tax purposes	163	132
Group relief surrendered/(claimed)	114	(102)
(Release of impairment allowance)/impairment charge	(36)	129
Current tax credit for the year	-	-

There are unrecognised deferred tax assets as follows:

	2015 £'000	2014 £'000
Tax losses available	11	11
Unrecognised deferred tax asset	11	11

## Rocco Forte & Family (Hotel Management) Limited

Notes forming part of the financial statements  
for the year ended 30 April 2015 (*continued*)

### 9 Fixed asset investments

The Company has investments in the following subsidiary companies:

Subsidiary company	Country of incorporation	Principal activity	Holding and voting %
RF Hotels International Sales Limited	Switzerland	Hotel Management	100.0
RF Hotels Italy Services SRL	Italy	Hotel Management	95.0
Rocco Forte & Family (Hotel Management) SAE	Egypt	Hotel Management	0.5
			£'000
<i>Cost</i>			
At 1 May 2014			841
Foreign exchange			-
At 30 April 2015			841
<i>Impairment allowances</i>			
At 1 May 2014			(564)
Release of allowance			103
At 30 April 2015			(461)
<i>Net book value</i>			
At 30 April 2015			380
At 30 April 2014			277

Subsequent to the 30 April 2015, RF Hotels Italy Services SRL ("SRL") has been liquidated. The Company's investment in SRL had been previously fully impaired. As at 30 April 2015, the Company expected to receive cash from SRL and therefore has released a portion of the impairment allowance.

# Rocco Forte & Family (Hotel Management) Limited

## Notes forming part of the financial statements for the year ended 30 April 2015 (*continued*)

### 10 Debtors: due within one year

	2015 £'000	2014 £'000
Trade debtors	-	49
Amounts owed by Group companies	2,948	2,813
Prepayments and accrued income	13	13
	<hr/> 2,961	<hr/> 2,875

### 11 Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	7	16
Accruals and deferred income	310	319
Amounts owed to Group companies	1,871	1,938
Other creditors including taxation and social security	163	45
	<hr/> 2,351	<hr/> 2,318

### 12 Creditors: amounts falling due after more than one year

	2015 £'000	2014 £'000
Amounts due to Group companies	990	1,105

Amounts due to Group companies bore an interest rate of 2.9% for the year. On 30 April 2015, the loan was renegotiated and is now due for repayment on 31 January 2020.

### 13 Called up share capital

The Company has one ordinary share of £1 in issue.

### 14 Foreign exchange reserve

	£'000
At 1 May 2014	1
Currency translation difference on foreign currency net investments	-
	<hr/>
At 30 April 2015	1



# Rocco Forte & Family (Hotel Management) Limited

Notes forming part of the financial statements  
for the year ended 30 April 2015 (*continued*)

<b>15 Profit and loss account</b>	<b>£'000</b>
At 1 May 2014	2,246
Loss for the year	(1,154)
	<hr/>
At 30 April 2015	1,092
	<hr/>

<b>16 Reconciliation of movements in shareholder's funds</b>	<b>2015</b>	<b>2014</b>
	<b>£'000</b>	<b>£'000</b>
Loss for the year	(1,154)	(132)
Currency translation difference on foreign currency net investments	-	(4)
	<hr/>	<hr/>
Net decrease to shareholder's funds	(1,154)	(136)
	<hr/>	<hr/>
Opening shareholder's funds	2,247	2,383
	<hr/>	<hr/>
Closing shareholder's funds	1,093	2,247
	<hr/>	<hr/>

## 17 Contingent liabilities

The Company is party to a group loan facility over which the Group's bankers have a cross guarantee secured by way of a fixed and floating charge on the assets of certain group companies. The amount outstanding on this facility at 30 April 2015 was £115,143,283 (2014 - £234,165,750).

## 18 Ultimate parent company and controlling party

On 9 March 2015, the Company's ultimate parent company changed its name from Rocco Forte & Family Limited to Rocco Forte Hotels Limited.

The Directors regard Rocco Forte Hotels Limited as the immediate and ultimate parent company. This is also the largest and the smallest group in which the results of the Company are consolidated. Copies of the Group financial statements of Rocco Forte Hotels Limited are publicly available.

The Hon. Sir Rocco J V Forte, a Director of Rocco Forte Hotels Limited, and members of his close family control the Company as a result of controlling directly or indirectly 76% of the issued share capital of Rocco Forte Hotels Limited (2014 - 99%).