

Horatio Properties Limited

Annual report and financial statements

for the year ended 31 December 2015

Registered number: 01819123

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Horatio Properties Limited

Annual report and financial statements for the year ended 31 December 2015

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Horatio Properties Limited

Directors Report

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2015. This Directors' Report has been prepared in accordance with the provisions relating to small companies under section 415A of the Companies Act 2006. The directors have also taken exemption under section 414B not to prepare a Strategic Report.

Principal activities and future developments

The Company continues to act as a parent company for a number of hotels and related companies. The directors expect the company to continue in this manner with no expected significant future developments.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting policies in note 1 in the financial statements.

Directors

The directors, who served throughout the year except as noted, were as follows:

M O'Grady

F J M Boyen (Resigned 31 March 2015)

A J Hunt (Appointed 31 March 2015)

Statement of disclosure to auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as the Company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Horatio Properties Limited

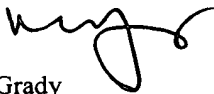
Directors Report (continued)

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder/s have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Belmond Management Ltd (formerly Belmond Hotel Holdings (UK) Ltd), as the immediate parent of the entity.

Approved by the Board and signed on its behalf by:



M O'Grady

Director

8 September

2016

1st Floor

Shackleton House

4 Battle Bridge Lane

London

SE1 2HP

Horatio Properties Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law 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) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Horatio Properties Limited

We have audited the financial statements of Horatio Properties Limited for the year ended 31 December 2015 which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes 1 to 15. 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) including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland".

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 auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Horatio Properties Limited (continued)

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; or
- the directors were not entitled to take advantage of the small companies exemption from in preparing the Directors' Report or from the requirements to prepare a Strategic Report.

A handwritten signature in black ink that reads "Charles Morelli". The signature is written in a cursive style with a horizontal line underneath the name.

Charles Morelli, (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
9 September 2016

Horatio Properties Limited

Statement of comprehensive income For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Finance costs (net)	4	(224)	64
(Loss)/profit on ordinary activities before taxation	5	(224)	64
Tax charge on (loss)/profit on ordinary activities	8	-	-
(Loss)/profit on ordinary activities after taxation		(224)	64

Horatio Properties Limited

Balance sheet

At 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Investments	9	623	623
Current assets			
Debtors	10	2,061	2,285
		2,061	2,285
Creditors: amounts falling due within one year	11	(686)	(686)
Net current assets		1,375	1,599
Total assets less current liabilities		1,998	2,222
Net assets		1,998	2,222
Capital and reserves			
Called-up share capital	12	5,000	5,000
Profit and loss account	12	(3,002)	(2,778)
Shareholders' funds		1,998	2,222

The financial statements of Horatio Properties Limited, registered number 01819123 were approved by the Board of Directors and authorised for issue on 8 September 2016.

Signed on behalf of the Board of Directors



M O'Grady
Director

Horatio Properties Limited

Statement of changes in equity

For the year ended 31 December 2015

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2013 as previously stated	-	(2,842)	(2,842)
Changes on transition to FRS 102 (see note 15)	-	-	-
At 1 January 2014 as restated	-	(2,842)	(2,842)
Profit for the financial year (see note 12)	-	64	64
Total comprehensive income for the year	-	64	64
Issue of share capital (see note 12)	5,000	-	5,000
At 31 December 2014	5,000	(2,778)	2,222
Loss for the financial year (see note 12)	-	(224)	(224)
Total comprehensive income for the year	-	(224)	(224)
At 31 December 2015	5,000	(3,002)	1,998

Horatio Properties Limited

Notes to the financial statements

For the year ended 31 December 2015

1. Accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom law and Accounting Standards. The particular accounting policies adopted in the current and preceding year are described below.

a. General information and basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 15.

Horatio Properties Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel. The results of the company and its subsidiaries are included in the consolidated financial statements of Belmond Ltd., a company incorporated in Bermuda. The directors consider the financial statements of Belmond Ltd., prepared under accounting principles generally accepted in the United States, to be equivalent to the requirements of the 7th EU Directive in all material respects and have therefore taken advantage of the Companies Act 2006, section 401, and not prepared consolidated financial statements. The consolidated financial statements of Belmond Ltd., within which the company is included can be obtained from the address given in note 3.

b. Going concern

At 31 December 2015 the Company had net assets and shareholders' funds of £1,998,000 (2014: net assets and shareholders' funds of £2,222,000).

The directors, having assessed the responses of the directors of the Company's parent to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Belmond Ltd. to continue as a going concern.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of Belmond Ltd., the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Investments

Investments held as fixed assets are stated at cost less provision for impairment.

d. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

1. Accounting policies (continued)

e. *Taxation (continued)*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f. *Foreign currencies*

Transactions in foreign currencies are recorded at the rate ruling 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. All differences are taken to the profit and loss account.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key source of estimation uncertainty – impairment of fixed asset investments

Fixed asset investments are reviewed on an annual basis for potential indicators of impairment. Where such indicators are identified, a full impairment review is carried out (see note 9).

3. Ultimate parent company and controlling party

The immediate parent company is Belmond Management Ltd (formerly Belmond Hotel Holdings (UK) Ltd), a company incorporated in the UK.

The smallest and largest group for which consolidated financial statements are prepared is the ultimate parent company and controlling party, Belmond Ltd., a company incorporated in Bermuda. Copies of its financial statements can be obtained from the company's registered office at 22 Victoria Street, Hamilton HM12, Bermuda or at www.belmond.com.

4. Finance costs (net)

	2015 £'000	2014 £'000
Interest payable and similar charges	280	45
Interest receivable and similar income	(56)	(109)
	<u>224</u>	<u>(64)</u>

Interest payable and similar charges

	2015 £'000	2014 £'000
Foreign exchange loss	280	45
	<u>280</u>	<u>45</u>

Interest receivable and similar income

	2015 £'000	2014 £'000
Interest receivable from group undertakings	56	109
	<u>56</u>	<u>109</u>

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

5. (Loss)/Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
Foreign exchange loss	280	45

The audit fee for the audit of the Company's annual financial statements of £4,782 (2014: £3,000) is borne by the ultimate parent company, Belmond Ltd.

6. Staff numbers and costs

The company had no employees during the year (2014: nil).

7. Directors' remuneration and transactions

The directors were employed by other companies within the group and it is not practicable to apportion their total emoluments as regards their services to the company for the current and preceding year.

8. Tax charge on (loss)/profit on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
Current tax on (loss)/profit on ordinary activities		
UK corporation tax	-	-
Total current tax	-	-

The standard rate of tax applied to reported (loss)/profit on ordinary activities is 20.25% (2014: 21.50%). The applicable tax rate has changed following the substantive enactment of the Finance Act 2015.

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the (loss)/profit before tax is as follows:

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

	2015 £'000	2014 £'000
(Loss)/profit on ordinary activities before tax	<u>(224)</u>	<u>64</u>
Tax on (loss)/profit on ordinary activities at standard UK corporation tax rate of 20.25% (2014: 21.50%)	(45)	14
Effects of:		
- Group relief surrendered/(claimed) for nil consideration	45	(14)
Total tax charge for year	<u>-</u>	<u>-</u>

9. Fixed asset investments

The Company has investments in the following subsidiary undertakings.

Investment in subsidiary companies comprises:

	% of ordinary shares held direct	Principal activity
Fraser's Helmsley Properties (Proprietary) Limited	100	Property investment
Mount Nelson Commercial Properties (Proprietary) Limited	100	Property investment
Mount Nelson Residential Properties (Proprietary) Limited	100	Property investment

All the subsidiaries were incorporated in South Africa. In the directors' opinion the aggregate value of the shares in and amounts owing from the subsidiary undertakings is not less than the aggregate of the amounts at which they are stated in the Company's balance sheet.

Horatio Properties Limited

Notes to the financial statements (continued) For the year ended 31 December 2015

9. Fixed asset investments (continued)

Subsidiary undertakings

	£'000
Cost	
At 1 January 2015	623
At 31 December 2015	623
Provisions for impairment	
At 1 January 2015	-
At 31 December 2015	-
Net book value	
At 31 December 2015	623
At 31 December 2014	623

10. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,013	1,013
	1,013	1,013
Amounts falling due after one year:		
Amounts owed by group undertakings	1,048	1,272
	1,048	1,272

The Company has a loan receivable with Mount Nelson Commercial Properties Ltd of £1,048,000. The loan bears a fixed interest rate of 4.75 % per annum (2014: 9% per annum) and has a maturity date of January 2022. The loan is denominated in Rands.

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

11. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Amounts owed to group undertakings	681	681
Deferred costs	5	5
	<u>686</u>	<u>686</u>

12. Called-up share capital and reserves

	2015 £	2014 £
Allotted, issued and fully paid		
5,000,100 (2014: 5,000,100) ordinary shares of £1 each	<u>5,000,100</u>	<u>5,000,100</u>

In 2014, the Company issued and allotted 5,000,000 ordinary shares with an aggregate nominal value of £5,000,000.

The profit and loss account represents cumulative profits or losses.

13. Security

In 2014 the Company's parent Belmont Ltd entered into a group wide refinancing. By an agreement dated 21 March 2014 Belmont Interfin Ltd was the Borrower under a US\$657 million senior secured credit facility arranged by Barclays Bank PLC. The facility consisted of a \$552 million seven year term loan and a five year \$105 million revolving credit facility and the proceeds were used to refinance predominately all of the Group's existing debt. The Company along with 52 other subsidiaries of Belmont Ltd were guarantors of the debt. The Company's guarantee was supported by an English Law debenture which charged the Company's non real estate assets in favour of Barclays Bank PLC who as Facility and Collateral Agent act on behalf of the Lenders.

14. Related party transactions

During the year the Company entered into transactions, in the ordinary course of business, with related parties. Trading balances outstanding with related parties at 31 December 2015 are detailed in notes 10 and 11. Amounts owed by and to related parties at the reporting date were £2,061,000 (2014: £2,285,000) and £681,000 (2014: £681,000), respectively. These amounts relate to trading balances except for a long-term loan of £1,048,000 (2014: £1,272,000) included in debtors.

In the ordinary course of business, the company has undertaken transactions with its fellow group companies. Advantage has been taken of the exemption permitted by FRS 102 not to disclose transactions with entities that are wholly owned by the Group.

Advantage has been taken of the exemption permitted by FRS 102 not to disclose total compensation of key management personnel.

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2015

15. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2014. There are no material changes as a consequence of adopting FRS 102.