

Horatio Properties Limited

Annual report and financial statements for the year ended 31 December 2017

Registered number: 01819123



Horatio Properties Limited

Annual report and financial statements for the year ended 31 December 2017

Contents

Strategic report	1
Directors' report	2
Directors' responsibilities statement	3
Independent auditor's report	4
Income statement	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Horatio Properties Limited

Strategic report

The directors, in preparing this Strategic Report, have complied with section 414C of the Companies Act 2006.

Principal activities, business review and future developments

The Company continues to act as a parent company for entities which hold a number of hotels and related companies. The directors expect the company to continue in this manner.

The Company made a profit before taxation in the period of £84,000 (2016: profit of £441,000). At 31 December 2017 the Company had net current assets of £1,900,000 (2016: £1,816,000) and net assets and shareholders' funds of £2,523,000 (2016: £2,439,000). The Company's activities during the period relate to interest income and foreign exchange gain on the intercompany balance held with Mount Nelson Commercial Properties Ltd.

The directors expect no significant future developments.

Key performance indicators

The key performance indicators that were used by management are current assets as a percentage of current liabilities and shareholders' funds as these are the measurable values that demonstrate how effectively the Company is performing. Both indicators have increased due to finance income received on group receivables.

Current assets as a % of current liabilities: 377% (2016: 365%).

Equity shareholders' funds: £2,523,000 (2016: £2,439,000).

Principal risks and uncertainties

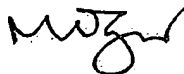
As a parent company to a number of the Group's subsidiaries discussed above, the Company's principal risks and uncertainties arise from the performance and financial position of these subsidiaries. The Group has policies and procedures in place to identify, manage and mitigate the risks and uncertainties that it and its subsidiaries are exposed to. These are outlined in Belmond Ltd.'s annual Form – 10K filed with the United States Securities and Exchange Commission which can be obtained from its registered office at 22 Victoria Street, Hamilton, Bermuda or at www.belmond.com.

Financial risk management objectives and policies

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due and the recoverability and payment of intercompany receivables and payables. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet, the principal financial risks the directors consider relevant to this Company are currency risk and credit risk. These risks are mitigated by the nature of the balances involved, with the counterparties being group companies.

Approved by the Board and signed on its behalf by:

M O'Grady
Director



6th December 2018

Registered office:
Shackleton House
4 Battle Bridge Lane
London
SE1 2HP

Horatio Properties Limited

Directors' report

The directors present the annual report and the audited financial statements, for the year ended 31 December 2017.

Principal activities and future developments

The Company continues to act as a parent company for entities which hold a number of hotels and related companies. The directors expect the company to continue in this manner with no expected significant future developments. The information that fulfils the Companies Act requirements of the business review and financial risk management is included in the Strategic Report and hence forms part of this report by cross-reference.

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.

Dividends

The directors do not recommend a dividend for the year and after year end (2016: £nil).

Directors

The directors, who served throughout the year and to the date of this report, were as follows:

M O'Grady
A J Hunt

There are no director's indemnities.

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.

Approved by the Board and signed on its behalf by:

M O'Grady
Director

M O'Grady
6th December
Registered office:

2018

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; 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. 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.

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

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Luxurytravel.com UK Limited (the 'company'):

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

We have audited the financial statements which comprise:

- the income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes to the financial statements 1 to 15, which includes a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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 are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

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

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 respect of these matters.

Responsibilities of directors

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, and for such internal control as the directors 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.

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

Report on other legal and regulatory requirements

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

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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

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.

Gary Tamkin

Gary Tamkin (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

6 December 2018

Horatio Properties Limited

Income statement

For the year ended 31 December 2017

	Note	2017 £'000	2016 £'000
Finance income	4	84	441
Profit before taxation	5	84	441
Tax on profit	8	-	-
Profit after taxation		84	441

There are no recognised gains and losses other than those passing through the income statement and hence a statement of comprehensive income has not been prepared.

All operations are continuing.

Horatio Properties Limited

Balance sheet

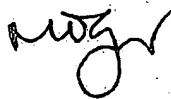
As at 31 December 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Investments	9	623	623
Current assets			
Debtors	10	2,586	2,502
		2,586	2,502
Creditors: amounts falling due within one year	11	(686)	(686)
Net current assets		1,900	1,816
Total assets less current liabilities		2,523	2,439
Net assets		2,523	2,439
Capital and reserves			
Called-up share capital	12	5,000	5,000
Profit and loss account		(2,477)	(2,561)
Shareholders' funds		2,523	2,439

The financial statements of Horatio Properties Limited (registered number 01819123) were approved by the Board of Directors and authorised for issue on 6th December 2018.

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 2017

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 31 December 2015	5,000	(3,002)	1,998
Profit for the financial year	-	441	441
Total comprehensive income for the year	-	441	441
At 31 December 2016	5,000	(2,561)	2,439
Profit for the financial year	-	84	84
Total comprehensive profit for the year	-	84	84
At 31 December 2017	5,000	(2,477)	2,523

Horatio Properties Limited

Notes to the financial statements

For the year ended 31 December 2017

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

Horatio Properties Limited is a private Company, limited by shares, and is incorporated in the United Kingdom under the Companies Act and registered in England and Wales. The registered office is Shackleton House, 4 Battle Bridge Lane, London, SE1 2HP, United Kingdom.

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 disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 financial instruments, presentation of a cash flow statement and related party transactions. 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 2017 the Company had net current assets of £1,900,000 (2016: £1,816,000) and net assets and shareholders' funds of £2,523,000 (2016: £2,439,000).

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 2017

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 income statement.

g. *Financial instruments*

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified 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.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

g. Financial instruments (continued)

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

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.

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 income

	2017 £'000	2016 £'000
Interest receivable and similar income	84	441
	<u>84</u>	<u>441</u>

Interest receivable and similar income

	2017 £'000	2016 £'000
Interest receivable from group undertakings	65	54
Foreign exchange gain	19	387
	<u>84</u>	<u>441</u>

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

5. Profit before taxation

	2017 £'000	2016 £'000
Profit before taxation is stated after crediting:		
Foreign exchange gain	19	387

The audit fee for the audit of the Company's annual financial statements of £4,782 (2016: £4,782) is borne by the ultimate parent company, Belmond Ltd.

6. Staff numbers and costs

The company had no employees during the year (2016: 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 which is not deemed a significant portion of time.

8. Tax charge on profit

The tax charge comprises:	2017 £'000	2016 £'000
Current tax on profit		
UK corporation tax		
Total current tax		

The standard rate of tax applied to reported profit on ordinary activities is 19.25% (2016: 20%).

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 profit before tax is as follows:

	2017 £'000	2016 £'000
Profit before tax	84	441
Tax on profit at standard UK corporation tax rate of 19.25% (2016: 20%)	16	88
Effects of:		
- Group relief claimed for nil consideration	(16)	(88)
Total tax charge for year		

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

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.

The registered addresses of the subsidiary undertakings are as follows:

	Registered Address
Fraser's Helmsley Properties (Proprietary) Limited	76 Orange Street, Gardens, Cape Town, 8001, South Africa
Mount Nelson Commercial Properties (Proprietary) Limited	76 Orange Street, Gardens, Cape Town, 8001, South Africa
Mount Nelson Residential Properties (Proprietary) Limited	76 Orange Street, Gardens, Cape Town, 8001, South Africa

Subsidiary undertakings

	£'000
Cost	
At 1 January 2017	623
At 31 December 2017	623
Provisions for impairment	
At 1 January 2017	-
At 31 December 2017	-
Net book value	
At 31 December 2017	623
At 31 December 2016	623

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

10. Debtors

	2017 £'000	2016 £'000
Amounts falling due within one year:		
Amounts owed by group undertakings	1,013	1,013
Amounts falling due after one year:		
Amounts owed by group undertakings	1,573	1,489

The Company has a loan receivable with Mount Nelson Commercial Properties (Proprietary) Ltd of £1,573,000 (2016: £1,489,000). The loan bears a fixed interest rate of 4.75 % per annum (2016: 4.75% per annum) and has a maturity date of January 2022. The loan is denominated in Rands. The loan has been classified as a basic financial asset under FRS 102 Section 11 Basic Financial Instruments, and is measured at principal plus accrued interest. The Directors have assessed that this measurement basis does not differ materially from amortised cost.

11. Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	681	681
Deferred costs	5	5
	686	686

The Company has a loan payable with Belmond Management Limited of £681,000. The loan is unsecured, does not bear interest and is repayable on demand.

12. Called-up share capital and reserves

	2017 £	2016 £
Allotted, issued and fully paid		
5,000,100 (2016: 5,000,100) ordinary shares of £1 each	5,000,100	5,000,100

The profit and loss account represents cumulative profits or losses.

13. Security

On 3 July 2017, the Company's ultimate parent Belmond Ltd. entered into an amendment and restatement of the credit agreement that was originally executed on 21 March 2014. The amended and restated credit agreement consists of a seven-year US\$603,434,000 secured term loan and a five-year US\$100,000,000 multi-currency revolving credit facility. The term loan comprises of a \$400,000,000 US dollar tranche and a €179,000,000 euro-denominated tranche (equivalent to US\$203,434,000 at drawdown). The proceeds of the transaction were used to refinance the outstanding funded debt under Belmond Ltd.'s existing credit facilities. The Company along with 49 other subsidiaries of Belmond 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.

Horatio Properties Limited

Notes to the financial statements (continued)

For the year ended 31 December 2017

14. Related party transactions

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.

15. Subsequent events

On 8 August 2018, the Company's ultimate parent, Belmond Ltd., announced that its Board of Directors has initiated a comprehensive review of the strategic alternatives available, including a possible sale of Belmond Ltd., to enhance shareholder value. No assurances can be given regarding the outcome of the review process.