

# **Horatio Properties Limited**

## **Annual report and financial statements for the year ended 31 December 2021**

Registered number: 01819123

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# **Horatio Properties Limited**

## **Annual report and financial statements for the year ended 31 December 2021**

### **Contents**

|  |           |
|--|-----------|
| <b>Directors' report</b>                     | <b>1</b>  |
| <b>Directors' responsibilities statement</b> | <b>3</b>  |
| <b>Independent auditor's report</b>          | <b>4</b>  |
| <b>Income statement</b>                      | <b>8</b>  |
| <b>Balance sheet</b>                         | <b>9</b>  |
| <b>Statement of changes in equity</b>        | <b>10</b> |
| <b>Notes to the financial statements</b>     | <b>11</b> |

# **Horatio Properties Limited**

## **Directors' report**

The Directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report, for the year ended 31 December 2021.

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 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 Company made a loss in the current year before taxation of £104,000 (2020: loss of £125,000). At 31 December 2021 the Company had net assets of £2,158,000 (2020: £2,262,000) and net current assets of £1,535,000 (2020: £136,000).

The Directors have taken into consideration the continued pandemic impact in 2022 which now varies globally. Whilst Covid-19 has had a significant impact on the financial performance of the group throughout 2021, in 2022 we have seen international travel open up further and demand return for many of the hotels within the Belmond group (of which the Company is a part of). Many locations within the group are already exceeding pre-pandemic operation levels in 2022. The Directors expect the regions not yet achieving these levels will do so by 2023.

There is still some uncertainty around future Covid variants, travel restrictions and speed of recovery in certain regions, however, the Directors would take steps to mitigate the financial impact of such scenarios on the group's operations and cash if required. The Directors have also obtained a letter of support from the Company's ultimate parent, LVMH, confirming that it will continue to support the Company. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the financial statements.

### **Dividends**

The directors do not recommend a dividend for the year and after year end (2020: £nil).

### **Directors**

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

A J Hunt

V Robin-Amour (appointed 12 May 2020)

The Company has arranged qualifying third-party indemnity for all of its directors.

## **Horatio Properties Limited**

### **Directors' report (continued)**

#### **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.

Approved by the Board and signed on its behalf by:



Véronique Robin-Amour  
Director  
26<sup>th</sup> September 2022

#### **Registered office:**

4B Victoria House  
Bloomsbury Square  
London  
WC1B 4DA

## **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; 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.

# **Horatio Properties Limited**

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

### **Opinion**

We have audited the financial statements of Horatio Properties Limited (the 'Company') for the year ended 31 December 2021 which comprise the Income statement, the Balance sheet, the 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 December 2021 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.

### **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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Strategic and Directors' Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

## **Horatio Properties Limited**

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

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 course of 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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In 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 Strategic Report or the Directors' Report.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

As explained more fully in the Directors' responsibilities statement set out on page 7, 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.

## **Horatio Properties Limited**

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

#### **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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment laws and regulations (including health and safety) and laws and regulations relating to unethical and prohibited business practices.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as taxation legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgments and assumptions in significant accounting estimates, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.



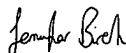
## **Horatio Properties Limited**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit 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.



Jennifer Birch  
(Senior Statutory Auditor)  
for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Two Chamberlain Square  
Birmingham  
B3 3AX

Sep 27, 2022

## Horatio Properties Limited

### Income statement For the year ended 31 December 2021

|                             | Note | 2021<br>£'000 | 2020<br>£'000 |
|-----------------------------|------|---------------|---------------|
| Finance (costs), net        | 4    | (104)         | (125)         |
| <b>Loss before taxation</b> | 5    | (104)         | (125)         |
| Tax on loss                 | 8    | -             | -             |
| <b>Loss after taxation</b>  |      | (104)         | (125)         |

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 2021

|   | Note | 2021<br>£'000 | 2020<br>£'000 |
|---|------|---------------|---------------|
| <b>Non-current assets</b>                             |      |               |               |
| Investments   | 9    | 623           | 623           |
| Non-current debtors                                   | 10   | -             | 1,503         |
| <b>Current assets</b>                                 |      |               |               |
| Debtors   | 10   | 2,221         | 822           |
|   |      | 2,221         | 822           |
| <b>Creditors: amounts falling due within one year</b> | 11   | (686)         | (686)         |
| <b>Net current assets</b>                             |      | 1,535         | 136           |
| <b>Total assets less current liabilities</b>          |      | 2,158         | 2,262         |
| <b>Net assets</b>                                     |      | 2,158         | 2,262         |
| <b>Capital and reserves</b>                           |      |               |               |
| Called-up share capital                               | 12   | 5,000         | 5,000         |
| Profit and loss account                               |      | (2,842)       | (2,738)       |
| <b>Shareholders' funds</b>                            |      | 2,158         | 2,262         |

The financial statements of Horatio Properties Limited have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of Horatio Properties Limited (registered number 01819123) were approved by the Board of Directors and authorised for issue on 26<sup>th</sup> September 2022.

Signed on behalf of the Board of Directors



Véronique Robin-Amour  
Director

## Horatio Properties Limited

### Statement of changes in equity For the year ended 31 December 2021

|  | Notes     | <b>Called-up<br/>share<br/>capital<br/>£'000</b> | <b>Profit<br/>and loss<br/>account<br/>£'000</b> | <b>Total<br/>£'000</b> |
|--|-----------|--|--|------------------------|
| <b>At 1 January 2020</b>                     | <b>12</b> | 5,000  | (2,613)  | 2,387                  |
| Loss for the financial year                  |           | -  | (125)  | (125)                  |
| <b>Total comprehensive loss for the year</b> |           | -  | (125)  | (125)                  |
| <b>At 31 December 2020</b>                   |           | 5,000  | (2,738)  | 2,262                  |
| Loss for the financial year                  |           | -  | (104)  | (104)                  |
| <b>Total comprehensive loss for the year</b> |           | -  | (104)  | (104)                  |
| <b>At 31 December 2021</b>                   | <b>12</b> | <u>5,000</u>                                     | <u>(2,842)</u>                                   | <u>2,158</u>           |

# Horatio Properties Limited

## Notes to the financial statements

For the year ended 31 December 2021

### 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 4B Victoria House, Bloomsbury Square, London, WC1B 4DA, 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.

The functional currency of Horatio Properties Limited is considered to be South African Rands because that is the currency of the primary economic environment in which the Company operates.

The presentation currency of the Company is pounds sterling and this is the currency in which the financial statements are presented.

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 LVMH, a company incorporated in France. The consolidated financial statements of LVMH, within which the company is included can be obtained from the address given in note 3.

#### b. Going concern

At 31 December 2021 the Company had net current assets of £1,535,000 (2020: £136,000) and net assets and shareholders' funds of £2,158,000 (2020: £2,262,000).

The Directors have taken into consideration the continued pandemic impact in 2022 which now varies globally. Whilst Covid-19 has had a significant impact on the financial performance of the group throughout 2021, in 2022 we have seen international travel open up further and demand return for many of the hotels within the Belmond group (of which the Company is a part of). Many locations within the group are already exceeding pre-pandemic operation levels in 2022. The Directors expect the regions not yet achieving these levels will do so by 2023.

There is still some uncertainty around future Covid variants, travel restrictions and speed of recovery in certain regions, however, the Directors would take steps to mitigate the financial impact of such scenarios on the group's operations and cash if required. The Directors have also obtained a letter of support from the Company's ultimate parent, LVMH, confirming that it will continue to support the Company. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least 12 months from the date of approval of the financial statements. Thus, they continue to adopt the going concern basis in preparing the 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.

# Horatio Properties Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### 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.

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.

# Horatio Properties Limited

## Notes to the financial statements (continued)

For the year ended 31 December 2021

### 1. Accounting policies (continued)

#### *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.

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.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### *h. Finance income*

Finance income is derived of interest income from intercompany loan balances.

### 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).

## Horatio Properties Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 3. Ultimate parent company and controlling party

The immediate parent company is Belmond Management 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 as at 31 December 2021, LVMH, a company incorporated in France. Copies of its financial statements can be obtained from the company's registered office at 22 Avenue Montaigne, FR-75008 Paris, France or at [www.lvmh.com](http://www.lvmh.com).

#### 4. Finance (costs), net

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| Interest receivable and similar income | 54            | 52            |
| Interest payable and similar charges   | (158)         | (177)         |
|  | <u>(104)</u>  | <u>(125)</u>  |

##### *Interest receivable and similar income*

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| Interest receivable from group undertakings | 54            | 52            |
|   | <u>54</u>     | <u>52</u>     |

##### *Interest payable and similar charges*

|                       | 2021<br>£'000 | 2020<br>£'000 |
|-----------------------|---------------|---------------|
| Foreign exchange loss | (158)         | (177)         |
|                       | <u>(158)</u>  | <u>(177)</u>  |

#### 5. Loss before taxation

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Loss before taxation is stated after crediting:</b> |               |               |
| Foreign exchange loss                                  | (158)         | (177)         |

The audit fee for the audit of the Company's annual financial statements of £6,000 (2020: £5,000) is borne by Belmond Ltd, another Group company.



## Horatio Properties Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 6. Staff numbers and costs

The company had no employees during the year (2020: 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 loss

The tax charge comprises:

|                            | 2021<br>£'000 | 2020<br>£'000 |
|----------------------------|---------------|---------------|
| <b>Current tax on loss</b> |               |               |
| UK corporation tax         | -             | -             |
| <b>Total current tax</b>   | -             | -             |

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%).

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Act 2021 on 24 May 2021 (the Finance Bill 2021 received Royal Assent on 10 June 2021 and became the Finance Act 2021). These changes include an increase to the main rate from 19% to 25% from 1 April 2023. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

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:

|  | 2021<br>£'000 | 2020<br>£'000 |
|--|---------------|---------------|
| <b>Loss before tax</b>   | (104)         | (125)         |
| Tax on loss at standard UK corporation tax rate of 19% (2020: 19%) | (20)          | (24)          |
| Effects of:  |               |               |
| - Group relief surrendered for nil consideration                   | 20            | 24            |
| <b>Total tax charge for year</b>                                   | -             | -             |

## Horatio Properties Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 9. Fixed asset investments

The Company has investments in the following subsidiary undertakings.

Investment in subsidiary companies comprises:

|   | % of ordinary<br>shares held<br>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 |
|--|-------|
| <b>Cost</b>                            |       |
| At 1 January 2021 and 31 December 2021 | 623   |
| <b>Provisions for impairment</b>       |       |
| At 1 January 2021 and 31 December 2021 | -     |
| <b>Net book value</b>                  |       |
| At 31 December 2021                    | 623   |
| At 31 December 2020                    | 623   |

## Horatio Properties Limited

### Notes to the financial statements (continued)

For the year ended 31 December 2021

#### 10. Debtors

|   | 2021<br>£'000 | 2020<br>£'000 |
|---|---------------|---------------|
| <b>Amounts falling due within one year:</b> |               |               |
| Amounts owed by group undertakings          | 2,221         | 822           |
|   | <u>2,221</u>  | <u>822</u>    |
| <b>Amounts falling due after one year:</b>  |               |               |
| Amounts owed by group undertakings          | -             | 1,503         |
|   | <u>-</u>      | <u>1,503</u>  |

The Company has a loan receivable from Mount Nelson Hotel Ltd of £764,000 (2020: £819,000) which does not bear interest and is repayable on demand.

The Company has a loan receivable from Mount Nelson Commercial Properties (Proprietary) Ltd of £1,426,000 (2020: £1,474,000). The loan bears a fixed interest rate of 4.75 % per annum (2020: 4.75% per annum) and has a maturity date of January 2022. In the previous year the loan was classified as long term. 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

|                                    | 2021<br>£'000 | 2020<br>£'000 |
|------------------------------------|---------------|---------------|
| Amounts owed to group undertakings | 681           | 681           |
| Deferred costs                     | 5             | 5             |
|                                    | <u>686</u>    | <u>686</u>    |

The Company has a loan payable to Belmond Sterling Treasury Limited of £681,000 (2020: £681,000). The loan is unsecured, does not bear interest and is repayable on demand. The loan has been classified as a basic financial liability under FRS 102 Section 11 Basic Financial Instruments.

#### 12. Called-up share capital and reserves

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| <b>Allotted, issued and fully paid</b>                 |                  |                  |
| 5,000,100 (2020: 5,000,100) ordinary shares of £1 each | 5,000,100        | 5,000,100        |
|  | <u>5,000,100</u> | <u>5,000,100</u> |

The profit and loss account represents cumulative profits or losses.

## **Horatio Properties Limited**

### **Notes to the financial statements (continued)**

For the year ended 31 December 2021

#### **13. 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.

#### **14. Subsequent events**

The Company performed a review of events subsequent to the balance sheet date through the date the financial statements were issued and determined that there were no such events requiring recognition or disclosure in the financial statements.