

RFFG Limited

Report and Financial Statements

Year ended

30 April 2021

Company Number 3197645



RFFG Limited

Report and financial statements for the year ended 30 April 2021

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Directors

The Hon Sir Rocco J V Forte
Rachel Brown

Registered office

70 Jermyn Street, London, SW1Y 6NY

Auditor

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

Bankers

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

Solicitors

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

RFFG Limited

Directors' report for the year ended 30 April 2021

The Directors present their annual report and the audited financial statements for the year ended 30 April 2021.

Directors

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

The Hon Sir Rocco J V Forte
Rachel Brown

Results and dividends

The Company did not pay any dividends during the current and prior year.

Business review

To 31 October 2006 the principal activity of the Company was the ownership and operation of Brown's Hotel in London. The 115 bedroom hotel is situated in the middle of London's Mayfair district. The hotel is the oldest five star hotel in London.

On 31 October 2006 the Company sold the trade and assets of Brown's Hotel to Rocco Forte & Family (London) Limited, its immediate parent company. The Company has not traded since 31 October 2006. There are currently no plans for the company to recommence trading. The Directors of the Company are reviewing future options for the Company.

Going concern

Given the Group's current cash reserves and facilities, the continued support of lenders, and the latest agreement on banking covenants, the Directors believe that the Company has sufficient financial resources to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis. Further information on the impact to the going concern assessment is disclosed in note 1 of the financial statements.

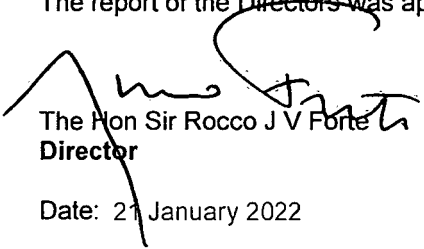
Provision of information to auditor

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

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

This report has been prepared in accordance with the Special Provisions of Part 15 of the Companies Act 2006 relating to small companies.

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



The Hon Sir Rocco J V Forte
Director

Date: 21 January 2022

RFFG Limited

Directors' responsibilities statement for the year ended 30 April 2021

The Directors are responsible for preparing the Directors' 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RFFG Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RFFG LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of its result for the year then ended;
- have been properly prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice) and as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of RFFG Limited ("the Company") for the year ended 30 April 2021 which comprise Balance sheet, 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 the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 directors are responsible for the other information. The other information comprises the information included in the annual report and financial statements 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. 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 this gives rise to a material misstatement in the financial statements themselves. 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.

RFFG Limited

Independent auditor's report (*continued*)

Other Companies Act 2006 reporting

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 material misstatements in 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; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

- obtaining an understanding of the legal and regulatory frameworks that are applicable to the Company; focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. These include, but are not limited to, compliance with the Companies Act, International Accounting Standards in conformity with the requirement of the Companies Act 2006 and local tax legislation.

RFFG Limited

Independent auditor's report (continued)

- making enquiries of management and the Board of the Company policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- making enquires of other personnel with roles relevant to compliance with laws and regulations.
- communicating the relevant identified laws and regulations and potential fraud risks to all engagement team members and component audit teams, and remaining alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur in the financial statements and any potential indicators of fraud. We identified potential for fraud in the following areas and performed the following procedures:
 - management override: we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results and management bias in accounting estimates and judgements. Audit procedures performed included:
 - challenging assumptions made by management in their significant accounting estimates for indications of bias or management override;
 - identifying and testing manual journal entries, in particular any journal entries containing characteristics of audit interest such as manual which are inconsistent with the usual transactions of the Company.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Mark RA Edwards
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Mark RA Edwards (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London 21 January 2022

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

RFFG Limited
Company number 3197645

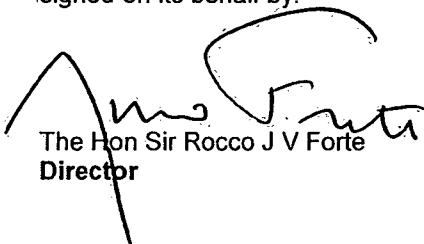
Balance sheet at 30 April 2021

	Note	2021 £'000	2020 £'000
Debtors due within one year	4	1,000	1,000
Total assets less current liabilities		<u>1,000</u>	<u>1,000</u>
Net assets		<u>1,000</u>	<u>1,000</u>
Capital and reserves			
Called up share capital	5	1,000	1,000
Shareholder's funds		<u>1,000</u>	<u>1,000</u>

The company did not trade during the current or preceding year and accordingly no profit and loss statement has been prepared. The company has not received any income or incurred any expenses or recognised any other gains or losses during the current or preceding year.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved by the Board and authorised for issue on 21 January 2022 . They were signed on its behalf by:


The Hon Sir Rocco J V Forte
Director

The notes on pages 8 to 10 form part of these financial statements.

RFFG Limited

Statement of Changes in Equity for the year ended 30 April 2021

	Share capital £'000	Share premium £'000	Capital reduction reserve £'000	Total £'000
Balance at 1 May 2020	1,000	-	-	1,000
Result for the year	-	-	-	-
Balance at 30 April 2021	1,000	-	-	1,000

Statement of Changes in Equity for the year ended 30 April 2020

	Share capital £'000	Share premium £'000	Capital reduction reserve £'000	Total £'000
Balance at 1 May 2019	1,000	-	-	1,000
Result for the year	-	-	-	-
Balance at 30 April 2020	1,000	-	-	1,000

The notes on pages 8 to 10 form part of these financial statements.

RFFG Limited

Notes forming part of the financial statements for the year ended 30 April 2021

1 Accounting policies

Statement of preparation

The financial statements have been prepared in accordance with the Companies Act 2006 and Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101"). The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements have been prepared on a historical cost basis. The presentation currency used is pound sterling and amounts have been presented in round thousands ("£000s").

The Company's ultimate parent company, Rocco Forte Hotels Limited, includes the Company in its consolidated financial statements. The consolidated financial statements of Rocco Forte Hotels Limited, which is incorporated in the UK, are prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and are publicly available.

In preparing the financial statements the company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore the following disclosures have not been provided:

- A statement of cash flows;
- Certain comparative information as otherwise required by international accounting standards in conformity with the requirements of the Companies Act 2006;
- Disclosure of related party transactions with other wholly owned members of the group headed by Rocco Forte Hotels Limited;
- Certain financial instrument disclosures as provided in the consolidated financial statements of Rocco Forte Hotels Limited; and
- The effect of future accounting standards not yet adopted.

Going concern assessment

As described in note 6 the Company is party to a Group loan facility over which Group lenders have a cross guarantee. The wider Group's position has been considered as part of the Going Concern assessment. The Company has prepared the financial statements for the year ended 30 April 2021 on a going concern basis.

In the first year of the pandemic, the Group's activities were heavily curtailed by restrictions imposed on the hospitality industry. More recently and in the period after the reporting date, trading continued to gradually recover. Bolstered by an extended and strong summer season, the Group had reached pre pandemic trading levels by October 2021. However, with the emergence of the Omicron variant of Covid-19 in late November, governments throughout Europe re-introduced different levels of travel and hospitality restrictions, which set back the pace of recovery. Notwithstanding the recent restrictions, the Group generated a positive cash flow result for the eight months to December 2021.

As at 31 December 2021, the Group had £37.8m in cash and £7.5m in undrawn debt facilities. The Group's primary lenders provided covenant waivers throughout the last financial year. In January 2022, they agreed to limit covenant reporting obligations for 2022 and provided a mechanism to revert to standard covenant obligation reporting in 2023. The Group continues to monitor the potential impact of government imposed travel and hospitality restrictions using risk adjusted forecasts and reverse stress test scenario models, which consider a wide range of possible scenarios. Notwithstanding the continuation of short-term uncertainty, particularly during the low season winter months, the Directors are confident that the trading targets underpinning the covenant targets are achievable, appropriate risk contingency has been included within the primary modelling and the Group has sufficient cash resources to meet its liabilities as they fall due.

RFFG Limited

Notes forming part of the financial statements (*continued*) for the year ended 30 April 2021

1 Accounting policies (*continued*)

Going concern assessment (continued)

As noted above, the Directors expect that the recovery will resume in the next financial year; however, while the pandemic persists and governments continue with the use of travel and hospitality restrictions in response, there is an inherent uncertainty which is beyond the control of the Board. The Group continues to mitigate the risk through agile management of resources, and bolstering capital reserves and available liquidity while higher levels of uncertainty remain prevalent. Given the Group's current cash reserves and facilities, the continued support of lenders, and the latest agreement on banking covenants, the Directors believe that the Company has sufficient financial resources to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

Amounts due from Group companies

Amounts due from Group companies are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment. The carrying value is assessed at each reporting date to determine whether there is objective evidence that it is impaired. An impairment loss is calculated as the difference between its carrying value amount and the present value of estimated cashflows discounted at the asset's original effective interest rate.

Critical accounting estimates and assumptions

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. In the future actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment testing

Intercompany receivables are tested for impairment when events or circumstances indicate that their carrying value may not be recoverable. The recoverable amount is determined based on value in use calculations. The use of this method requires the estimation of future cash flows and the choice of a discount rate in order to calculate the present value of the cash flows. Information on the discount rates and key judgements are included in note 3 to the consolidated financial statements of Rocco Forte Hotels Limited.

2 Profit on ordinary activities before taxation

The Company had no employees during the year and the prior year. The Directors received no remuneration in respect of services provided to the Company during the year (2020 - £Nil).

Auditor's remuneration for audit services of the Company for the year of £1,500 (2020 - £1,500) have been borne by the ultimate parent, Rocco Forte Hotels Limited.

3 Tax on profit on ordinary activities

There was no tax payable in 2021 (2020 - £Nil).

There was no difference between the total current tax and the amount calculated by applying the standard rate of UK corporation tax to the result before tax in the current year (2020 - £Nil).

There are no deferred tax assets or liabilities as at 30 April 2021 (2020 - £Nil).

RFFG Limited

Notes forming part of the financial statements for the year ended 30 April 2021 (continued)

4 Debtors due within one year

	2021 £'000	2020 £'000
Loan to parent company	1,000	1,000

This loan is non-interest bearing and is repayable on demand.

5 Called up share capital and reserves

	2021 £'000	2020 £'000
Ordinary shares of 25p each in issue	1,000	1,000

The following describes the nature and purpose of each reserve within equity.

Share Capital - Nominal value of share capital subscribed for.

Share premium - Amounts subscribed for share capital in excess of nominal value.

Capital reduction reserve - This reserve relates to amounts transferred from share capital and share premium on reduction of issued shares and is available for distribution.

The Company did not pay any dividends during the current and prior year.

Profit and loss account - All net gains and losses and transactions with owners (dividends).

6 Contingent liabilities

The Company is party to a group loan facility over which the Group's bankers have a cross guarantee secured by way of a fixed and floating charge on the assets of certain group companies. The amount outstanding on this facility at 30 April 2021 was £147,280,000 (2020 - £131,201,000).

7 Ultimate parent company and controlling party

The Company's immediate parent is Rocco Forte & Family (London) Limited. Rocco Forte Hotels Limited is the ultimate parent company and is the only group in which the results of the Company are consolidated. Copies of the Group financial statements of Rocco Forte Hotels Limited are publicly available.

The Hon Sir Rocco J V Forte, a Director of Rocco Forte Hotels Limited and members of his close family, control the Company as a result of controlling directly or indirectly 75% of the issued share capital of Rocco Forte Hotels Limited (2020 - 75%).