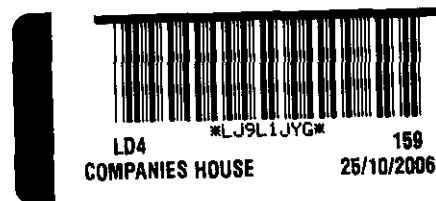


Company Registration No. 5133159

**Sir Rocco Forte & Family (Geneva)
Limited**

Report and Financial Statements

30 April 2006



Sir Rocco Forte & Family (Geneva) Limited

Report and financial statements

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Sir Rocco Forte & Family (Geneva) Limited

Report and financial statements

Officers and professional advisers

Directors

Pamela Dickson
David Munns
Moreno Occhiolini

Secretary

David Munns

Registered office

Savannah House
11 Charles II Street
London
SW1Y 4QU

Solicitors

Withers LLP
16 Old Bailey
London
EC4M 7EG

Bankers

Bank of Scotland
New Uberior House
11 Earl Grey Street
Edinburgh
EH3 9BN

Auditors

PKF (UK) LLP
Farringdon Place
20 Farringdon Road
London
EC1M 3AP

Sir Rocco Forte & Family (Geneva) Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the accounts and auditors' report for the year ended 30 April 2006.

Principal activity

The principal activity of the Company is to hold an investment in a hotel property in Switzerland.

Business review and future developments

The hotel operated by the Company's wholly owned subsidiary, L'Hotel Richemond in Geneva, closed for a complete refurbishment in December 2005. It is expected to re-open in mid-2007. The directors are optimistic regarding the future performance of this property.

Financial instruments

The Company holds an investment in a hotel operating company located in Switzerland, and has used Swiss Franc denominated borrowings from its ultimate parent company to finance this foreign equity investment. The equity investment is denominated in Swiss Francs and the carrying amount is translated at the end of each accounting period at closing rates for inclusion in the Company's financial statements. Exchange gains or losses arising on the borrowings are offset as a reserve movement to the extent of exchange differences arising on the equity investment. The Company is subject to foreign exchange risk on the unhedged element of foreign currency borrowings.

The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

Results and dividends

The loss for the period after taxation was £749,000 (2005 - £239,000).


Directors and their interests

The names of the directors of the Company are stated on page 1, all of whom served throughout the period, except as noted. No directors had any beneficial interests in the Company.

Disclosure of information

So far as the directors are aware, there is no information needed by the Company's auditors in connection with preparing their report of which they are unaware, and the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors
and signed on behalf of the Board



David Munns
Director

Sir Rocco Forte & Family (Geneva) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the directors to prepare financial statements for each financial year which 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 estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that 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 1985. 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 auditors' report to the members of Sir Rocco Forte & Family (Geneva) Limited

We have audited the financial statements of Sir Rocco Forte & Family (Geneva) Limited for the year ended 30 April 2006 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the annual report and the financial statements in accordance with applicable law and United Kingdom accounting standards ('United Kingdom Generally Accepted Accounting Practice') are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Act 1985. We also report to you our opinion as to whether the information given in the directors' report is consistent with the financial statements. Additionally we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 30 April 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the directors' report is consistent with the financial statements.

PKF(UK) LLP
PKF (UK) LLP

Registered Auditors

London, UK

3 October 2006

Sir Rocco Forte & Family (Geneva) Limited

Profit and loss account Year ended 30 April 2006

	Note	Year ended 30 April 2006 £'000	19 May 2004 to 30 April 2005 £'000
Administrative expenses		(3)	(2)
Operating loss		(3)	(2)
Interest receivable and similar income		542	347
Interest payable and similar charges	2	(1,288)	(584)
Loss on ordinary activities before taxation	3	(749)	(239)
Tax on loss on ordinary activities	4	-	-
Loss for the year	10	(749)	(239)

All amounts relate to continuing activities.

Sir Rocco Forte & Family (Geneva) Limited

Statement of total recognised gains and losses As at 30 April 2006

	Notes	2006 £'000	2005 £'000
Loss for the year		(749)	(239)
Translation differences on foreign currency net investments	10	<u>-</u>	<u>2</u>
Total recognised gains and losses relating to the period		<u><u>(749)</u></u>	<u><u>(237)</u></u>

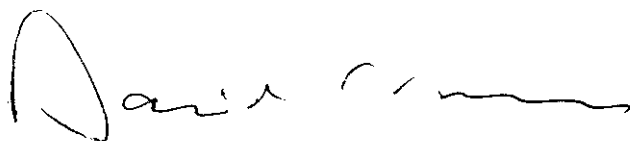
The accompanying notes are an integral part of this statement of total recognised gains and losses.

Sir Rocco Forte & Family (Geneva) Limited

Balance sheet As at 30 April 2006

	Note	2006 £'000	2005 £'000
Fixed assets			
Investments	5	44,672	44,293
Creditors: amounts falling due within one year	6	-	(2)
Net current liabilities		-	(2)
Total assets less current liabilities		44,672	44,291
Creditors: amounts falling due after one year	7	(45,612)	(44,482)
Net liabilities		(940)	(191)
Capital and reserves			
Called up share capital	8	-	-
Share premium account	9	46	46
Foreign exchange reserve	10	2	2
Profit and loss account	10	(988)	(239)
Shareholders' deficit	11	(940)	(191)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 September 2006.



David Munns
Director

Sir Rocco Forte & Family (Geneva) Limited

Notes to the accounts Year ended 30 April 2006

1. Accounting policies

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

Basis of accounting

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

Basis of preparation: going concern

The Company reports net liabilities and losses for the year. The parent company has indicated that it will continue to provide financial support as necessary for the foreseeable future to ensure the Company can meet all liabilities as they fall due. On this basis the directors are satisfied that it is appropriate to prepare these accounts on a going concern basis.

Cash flow

Under the provisions of FRS 1 (Revised), the Company has not prepared a cash flow statement because its ultimate parent company, Sir Rocco Forte & Family (Luxury Hotels) Limited, which is incorporated in Great Britain, prepared consolidated accounts which include the accounts of the Company for the period from that date, and which contain an appropriate cash flow statement of the Company.

Exemption from preparation of group accounts

The Company has taken advantage of section 228 of the Companies Act 1985 and elected not to prepare consolidated accounts. These financial statements show company only results not group.

Foreign currency

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

The results of overseas operations are normally translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets, and results of overseas operations and on foreign currency borrowings, to the extent that they hedge the Company's investment in such operations, are dealt with through reserves.

Investments

Fixed asset investments are shown at cost less provision for impairment, in accordance with FRS 11.

Related party disclosures

As a subsidiary undertaking of Sir Rocco Forte & Family Plc the Company has taken advantage of the exemption in FRS 8: "Related Party Disclosures" not to disclose transactions with other members of the group headed by Sir Rocco Forte & Family Plc.

Taxation

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

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Sir Rocco Forte & Family (Geneva) Limited

Notes to the accounts Year ended 30 April 2006

2. Interest payable and similar charges

	Year ended 30 April 2006 £'000	19 May 2004 to 30 April 2005 £'000
Interest payable to group undertakings	1,275	584
Foreign exchange losses	13	-
	<u>1,288</u>	<u>584</u>

3. Loss on ordinary activities before taxation

Loss on ordinary activities before taxation is stated after charging:

	Year ended 30 April 2006 £'000	19 May 2004 to 30 April 2005 £'000
Auditors' remuneration for		
- audit services	-	2
- non-audit services	-	-
	<u>-</u>	<u>-</u>

Auditors remuneration for audit services of the Company for the year of £1,500 (2005: £1,500) has been borne by the parent undertaking, Sir Rocco Forte & Family (Luxury Hotels) Limited.

The Company had no employees other than its directors during the year. The directors received no remuneration in respect of services to the Company during the year.

Sir Rocco Forte & Family (Geneva) Limited

Notes to the accounts Year ended 30 April 2006

4. Tax on loss on ordinary activities

	Year ended 30 April 2006 £'000	19 May 2004 to 30 April 2005 £'000
UK corporation tax	-	-
Deferred tax:		
Origination and reversal of timing differences (credit) / charge	-	-
Total tax charge	-	-

There are no recognised deferred tax assets or liabilities as at 30 April 2006.

There are unprovided deferred tax assets as at 30 April 2006 as follows:

	2006 £'000	2005 £'000
Tax losses available	296	72
Unprovided provision for deferred tax asset	296	72

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

	2006 £'000	2005 £'000
Loss on ordinary activities before tax	(749)	(239)
Tax at 30% (2005: 30%)	(225)	(72)
Effects of:		
Expenses not deductible for tax purposes	1	-
Utilisation of tax losses and tax losses carried forward	224	72
Current tax charge for the year	-	-

Sir Rocco Forte & Family (Geneva) Limited

Notes to the accounts Year ended 30 April 2006

5. Fixed asset investments

	Shares in subsidiary undertakings £'000	Loans to subsidiary undertakings £'000	Total £'000
Cost and net book value			
At 1 May 2005	25,393	18,900	44,293
Additions	2	-	2
Interest	-	542	542
Repayments	-	(501)	(501)
Foreign exchange movement	190	146	336
At 30 April 2006	<u>25,585</u>	<u>19,087</u>	<u>44,672</u>

Loans to subsidiary undertakings bear interest at Swiss Franc LIBOR plus a margin of 2.0%, and have no fixed repayment date. The loans have been restated as investments to better reflect the long term nature of the loan balance. In the financial statements for the period ended 30 April 2005, these were shown among debtors.

The Company has investments in the following subsidiaries:

Subsidiary undertaking	Country of incorporation and principal business	Principal activity	Holding %
Sir Rocco Forte & Family (Geneva) SA*	Switzerland	Hotel investment	100%
Societe Anonyme de l'Hotel Richemond	Switzerland	Hotel operation	100%
* Held directly			

Included in the additions to subsidiary undertakings in the year were acquisition related expenses of £2,000.

Sir Rocco Forte & Family (Geneva) Limited

Notes to the accounts Year ended 30 April 2006

6. Creditors: Amounts falling due within one year

	2006 £'000	2005 £'000
Accruals	-	2
	<u>-</u>	<u>2</u>

7. Creditors: amounts falling due after more than one year

	2006 £'000	2005 £'000
Amounts owed to ultimate parent company	45,612	44,482
	<u>45,612</u>	<u>44,482</u>

Amounts due to the ultimate parent company bear interest at Swiss Franc LIBOR plus a margin of 2.0%, and are repayable on 30 April 2014. The ultimate parent company has confirmed that repayment will not be required within one year.

8. Called up share capital

	2006 £	2005 £
Authorised:		
10,000 ordinary shares of £1	10,000	10,000
	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
46 ordinary shares of £1	46	46
	<u>46</u>	<u>46</u>

9. Share premium account

	£'000
At 1 May 2005 and at 30 April 2006	46

10. Reserves

	Foreign exchange reserve £'000	Profit and loss account £'000
At 1 May 2005	2	(239)
Loss for the year	-	(749)
	<u>2</u>	<u>(988)</u>
At 30 April 2006	2	(988)

Sir Rocco Forte & Family (Geneva) Limited

Notes to the accounts Year ended 30 April 2006

11. Reconciliation of movements in shareholders' deficit

	2006 £'000	2005 £'000
Loss for the period	(749)	(239)
New shares issued	-	46
Translation differences on foreign currency net investments	-	2
	<hr/>	<hr/>
Net increase to shareholders' deficit	(749)	(191)
Opening shareholders' deficit	(191)	-
	<hr/>	<hr/>
Closing shareholders' deficit	(940)	(191)

12. Contingent Liabilities

The Company is party to a group loan facility over which the Group's bankers have a cross guarantee. The amount outstanding on this facility at 30 April 2006 was £131,547,000 (2005: £125,853,000).

13. Ultimate holding company and controlling party

The Company's immediate and ultimate parent undertaking is Sir Rocco Forte & Family (Luxury Hotels) Ltd, a company incorporated in Great Britain. Sir Rocco Forte & Family (Luxury Hotels) Ltd is the parent company of the largest and smallest group of which the Company was a member and for which group accounts are drawn up. Copies of the Group financial statements of Sir Rocco Forte & Family (Luxury Hotels) Ltd are available from Savannah House, Charles II Street, London SW1Y 4QU.