

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Report and Financial Statements

Year ended 30 April 2016

Company Number 5429520



Rocco Forte & Family (Luxury Hotels) (Germany) Limited

**Report and financial statements
for the year ended 30 April 2016**

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Directors

The Hon Sir Rocco J V Forte
David Gareth Caldecott

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

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Strategic report for the year ended 30 April 2016

The Directors present their strategic report and the audited financial statements for the year ended 30 April 2016.

Review of operations

The principal activity of the Company is to hold an investment in a subsidiary company, Rocco Forte & Family (Luxury Hotels) GmbH. This subsidiary leases Villa Kennedy in Frankfurt and holds an investment in Rocco Forte & Family (Munich) GmbH which leases The Charles Hotel in Munich. The Directors are optimistic regarding the future performance of these properties.

The loss for the year after taxation was £6,427 (2015 – Profit of £32,642).

In addition to regular review of the financial performance of the hotels, the Directors closely monitor a number of performance indicators alongside the financial results. These include the rate and occupancy performance of the hotels compared to their local competitive sets, independent assessments of service quality against operational service standards, direct research with customers, comment cards and online feedback direct to the hotel or through the feedback website.

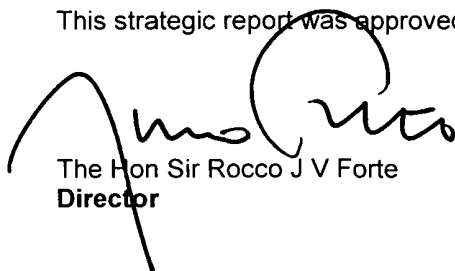
Principal risks and uncertainties

The Directors consider the following to be the principal risks and uncertainties facing the Company:

- Exchange and interest rate exposure; and
- The impact of global issues such as recession and conflicts on the performance of the Company's investments.

Approval

This strategic report was approved on behalf of the Board on 24 August 2016 by:



The Hon Sir Rocco J V Forte
Director

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Report of the Directors for the year ended 30 April 2016

The Directors present their annual report and the audited financial statements for the year ended 30 April 2016.

Directors

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

The Hon Sir Rocco J V Forte
David Gareth Caldecott

Change in accounting framework

The Company has adopted Financial Reporting Standards 101 "Reduced Disclosure Framework" (FRS 101) for the first time this year. In previous years, the Company has applied applicable UK accounting standards (UK GAAP). The impact of this change is described in note 10.

Results and dividends

The loss for the year after taxation was £6,427 (2015 – Profit of £32,642). The Directors do not propose the payment of a dividend (2015 - £Nil).

Financial risk management

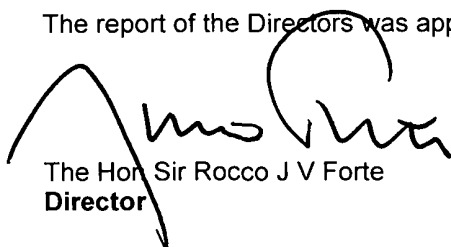
The main financial risks faced by the Company relate to interest rates and foreign currency. These risks are managed at a Group level, under the control of the Chief Financial Officer and within policies approved by the Board. The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to these risks.

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.

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



The Hon Sir Rocco J V Forte
Director

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Directors' responsibilities

The directors are responsible for preparing the strategic report, the report of the Directors 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), including FRS 101 "Reduced Disclosure Framework" ("FRS 101") 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.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Independent auditor's report

TO THE MEMBERS OF ROCCO FORTE & FAMILY (LUXURY HOTELS) (GERMANY) LIMITED

We have audited the financial statements of Rocco Forte & Family (Luxury Hotels) (Germany) Limited for the year ended 30 April 2016 which comprise the profit and loss statement, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the strategic report and report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Independent auditor's report (*continued*)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

*Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom*

24 August 2016

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

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Profit and loss statement for the year ended 30 April 2016

	Note	2016 £'000	2015 £'000
Release of impairment allowance on investment	4	-	27
Foreign exchange (losses) / gains		(4)	8
Interest payable to Group companies		(2)	(2)
		<hr/>	<hr/>
(Loss) / Profit on ordinary activities before taxation	2	(6)	33
Tax on (loss) / profit on ordinary activities	3	-	-
		<hr/>	<hr/>
(Loss) / Profit and total comprehensive income for the year		(6)	33
		<hr/>	<hr/>

All activities are in respect of continuing operations.

The notes on pages 9 to 14 form part of these financial statements.

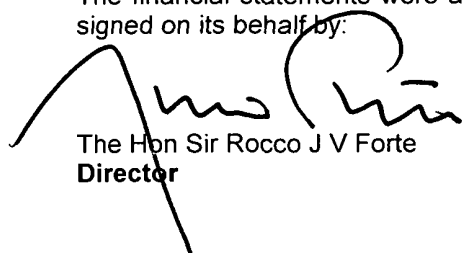
Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Company number 5429520

Balance sheet at 30 April 2016

	Note	2016 £'000	2015 £'000
Fixed assets			
Investments	4	27	27
Current liabilities			
Creditors: amounts falling due within one year	5	(2)	(2)
Total assets less current liabilities		<u>25</u>	<u>25</u>
Creditors: amounts falling due after more than one year	6	(54)	(48)
Net liabilities		<u>(29)</u>	<u>(23)</u>
Capital and reserves			
Called up share capital	7	-	-
Profit and Loss account	7	(29)	(23)
Shareholder's deficit		<u>(29)</u>	<u>(23)</u>

The financial statements were approved by the Board and authorised for issue on 24 August 2016. They were signed on its behalf by:



The Hon Sir Rocco J V Forte
Director

The notes on pages 9 to 14 form part of these financial statements.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Statement of Changes in Equity for the year ended 30 April 2016

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance at 1 May 2015	-	(23)	(23)
Loss for the year	-	(6)	(6)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2016	-	(29)	(29)
	<hr/>	<hr/>	<hr/>

Statement of Changes in Equity for the year ended 30 April 2015

	Share capital	Profit and loss account	Total
	£'000	£'000	£'000
Balance at 1 May 2014	-	(56)	(56)
Profit for the year	-	33	33
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2015	-	(23)	(23)
	<hr/>	<hr/>	<hr/>

The notes on pages 9 to 14 form part of these financial statements.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Notes forming part of the financial statements for the year ended 30 April 2016

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").

These are the Company's first financial statements prepared in accordance with FRS 101. The date of transition is 1 May 2014. In previous years the financial statements were prepared in accordance with applicable UK accounting standards (UK GAAP). An explanation of how the transition to FRS 101 from UK GAAP has affected the reported financial position of the company is provided in note 10.

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 Financial Reporting Standards as adopted by the EU and are publically 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 cashflows
- Certain comparative information as otherwise required by EU endorsed IFRS
- Disclosure of related party transactions with other wholly owned members of the group headed by Rocco Forte Hotels Limited.
- Certain financial instruments disclosures as disclosed in the consolidated Rocco Forte Hotels Limited financial statements.

Going concern

The Company reports net current liabilities, net liabilities and losses for the year and therefore relies on financial support from its parent company, Rocco Forte & Family (Luxury Hotels) Limited. The parent company has indicated that it will not require repayment of intercompany loans before 31 January 2020 to ensure the Company can meet all liabilities as they fall due for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

Exemption from preparation of group accounts

The financial statements contain information about Rocco Forte & Family (Luxury Hotels) (Germany) Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 401 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of a larger group.

Investments

Investments in subsidiaries are carried at cost less impairment. The carrying amount is reviewed at each reporting date to determine whether there is any indication of impairment. If such impairment exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the profit and loss statement.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

1 Accounting policies (continued)

Amounts due from and amounts due to Group subsidiaries

Amounts due from and amounts due to Group subsidiaries are initially recognised at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. The carrying value is reviewed at each reporting date to determine whether there is any indication of impairment. Impairment losses are recognised in the profit and loss statement.

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the exchange rates ruling on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to functional currency at the relevant rates of exchange ruling on the last day of the period. Foreign exchange differences arising on translation are recognised in the profit and loss statement. Non monetary assets and liabilities that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the dates of the transactions.

Income and Expenses

Interest receivable and payable is recognised in the profit and loss statement as it accrues, using the effective interest rate method.

Taxation

Current tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities including interest. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred tax assets and liabilities are recognised in respect of temporary differences between the tax base and carrying value of assets and liabilities. Deferred tax assets are recognised to the extent that it is regarded as probable that the deductible temporary differences can be realised. The recoverability of all deferred tax assets is re-assessed at the end of each reporting period. Deferred tax is calculated at the tax rates that are expected to apply in the periods in which the asset or liability will be settled, based on rates enacted or substantively enacted at the end of the reporting period.

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

Investments and debtors 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. No impairment was identified for the year ended 30 April 2016.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

2 (Loss) / profit on ordinary activities before taxation

Auditor's remuneration for audit services of the Company for the year of £4,000 (2015 - £4,000) and tax compliance fees of £775 (2015 - £750) have been borne by its ultimate parent company, Rocco Forte Hotels Limited.

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 (2015 - £Nil).

3 Tax on (loss) / profit on ordinary activities

There is no tax payable in 2016 (2015 - £Nil).

There are no deferred tax assets or liabilities as at 30 April 2016 (2015 - £Nil).

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

	2016 £'000	2015 £'000
(Loss) / profit on ordinary activities before tax	(6)	33
Tax charge at 20.00% (2015 - 20.92%)	(1)	7
Effects of:		
Group relief surrendered / (claimed)	1	(1)
Impairment charge	-	(6)
Current tax charge for the year	-	-

4 Fixed assets investments

	2016 £'000	2015 £'000
Cost	27	27
Impairment allowance	-	-
Net book value	27	27

The Company has a 100% direct investment in Rocco Forte & Family (Luxury Hotels) GmbH and a 100% indirect investment in Rocco Forte & Family (Munich) GmbH. Both companies are incorporated in Germany.

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

5 Creditors: amounts falling due within one year	2016 £'000	2015 £'000
Amounts due to Group companies	<u>2</u>	<u>2</u>
6 Creditors: amounts falling due after more than one year	2016 £'000	2015 £'000
Amounts due to Group companies	<u>54</u>	<u>48</u>

Amounts due to Group companies bore an interest rate of 3.4%. The loan is due for repayment on 31 January 2020.

7 Called up share capital and reserves

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

Share Capital - Nominal value of share capital subscribed for. The Company has one ordinary share of £1 in issue.

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

8 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 2016 was £119,798,912 (2015 - £115,143,283).

9 Ultimate parent company and controlling party

At the year end the Company's immediate parent is Rocco Forte & Family (Luxury Hotels) 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 76% of the issued share capital of Rocco Forte Hotels Limited (2015 - 76%).

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Notes forming part of the financial statements for the year ended 30 April 2016 (continued)

10 First time adoption of FRS 101 Reduced Disclosure Framework

This is the first time that the company has adopted FRS 101 having previously applied applicable UK accounting standards.

The date of transition to FRS 101 was 1 May 2014.

Previously UK GAAP allowed the company to re-translate the investment at the balance sheet date as if it were a monetary item and exchange differences on the shares were taken to foreign exchange reserves. There is no equivalent treatment allowed under FRS 101. In applying FRS 101 for the first time the company's opening cost of investments in subsidiary companies has been taken as deemed cost. The investment has therefore been restated to the carrying value at date of transition to FRS 101 and the foreign currency reserve deemed to be zero as at 1 May 2014. This investment was fully impaired as at 1 May 2014 and therefore impairment allowance was also restated and there was no change to net assets. In 2015, the investment allowance was reversed and the amount has been restated at the exchange rate at transition. Details of the impacts are as follows.

Balance sheet and equity reconciliation as at 30 April 2015

	2015 UK GAAP £'000	Effect of Transition £'000	2015 FRS 101 £'000
Fixed assets			
Investments	23	4	27
Current liabilities			
Creditors: amounts falling due within one year	(2)	-	(2)
Total assets less current liabilities	21	4	25
Creditors: amounts falling due after more than one year	(48)	-	(48)
Net liabilities	(27)	4	(23)
Capital and reserves			
Called up share capital	-	-	-
Foreign exchange reserve	-	-	-
Profit and loss account	(27)	4	(23)
Shareholder's deficit	(27)	4	(23)

Rocco Forte & Family (Luxury Hotels) (Germany) Limited

Notes forming part of the financial statements
for the year ended 30 April 2016 (continued)

Balance sheet and equity reconciliation as at 1 May 2014

	1 May 2014 UK GAAP £'000	Effect of Transition £'000	1 May 2014 FRS 101 £'000
Investments	-	-	-
Current liabilities			
Creditors: amounts falling due within one year	(2)	-	(2)
Total assets less current liabilities	(2)	-	(2)
Creditors: amounts falling due after more than one year	(54)	-	(54)
Net liabilities	(56)	-	(56)
Capital and reserves			
Called up share capital	-	-	-
Foreign exchange reserve	-	-	-
Profit and loss account	(56)	-	(56)
Shareholder's deficit	(56)	-	(56)

Reconciliation of total comprehensive income for the year ended 30 April 2015

	2015 UK GAAP £'000	Effect of Transition £'000	2015 FRS 101 £'000
Release of impairment allowance on investment	23	4	27
Foreign exchange (losses) / gains	8	-	8
Interest payable to Group companies	(2)	-	(2)
Profit on ordinary activities before taxation	29	4	33
Tax on ordinary activities	-	-	-
Profit for the year	29	4	33