

Company Registration No. 5521655

**Rocco Forte & Family (Czech Republic)
Limited**

Report and Financial Statements

30 April 2011

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Rocco Forte & Family (Czech Republic) Limited

Report and financial statements

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Rocco Forte & Family (Czech Republic) Limited

Report and financial statements

Officers and professional advisers

Directors

Sir Rocco Forte

Alan Clark

(appointed 1 July 2010)

Richard Power

(resigned 1 July 2010)

Registered office

70 Jermyn Street

London

SW1Y 6NY

Solicitors

Forsters LLP

31 Hill Street

London

W1J 5LS

Bankers

Bank of Scotland

New Usher House

11 Earl Grey Street

Edinburgh

EH3 9BN

Auditor

PKF (UK) LLP

Farringdon Place

20 Farringdon Road

London

EC1M 3AP

Rocco Forte & Family (Czech Republic) Limited

Directors' report

The directors present their annual report on the affairs of the Company, together with the accounts and auditor's report for the year ended 30 April 2011

Principal activity

The principal activity of the Company is to hold an investment in a subsidiary undertaking which leases and operates a hotel property in Prague

Business review and future developments

The Company owns 90% of the issued share capital of Rocco Forte & Family (Czech Republic) SRO, which leases and operates a 101-room hotel property in Prague, which opened in May 2009

Results and dividends

The loss for the year after taxation was £7,000 (2010 £262,000) The directors do not propose the payment of a dividend (2010 £nil)

Directors

The names of the directors of the Company are stated on page 1, all of whom served throughout the year, except as noted

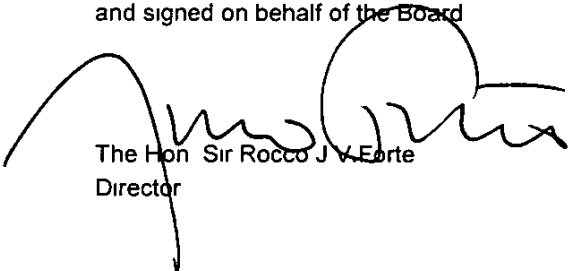
Provision of information to auditor

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

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



The Hon Sir Rocco J. Forte
Director

Rocco Forte & Family (Czech Republic) Limited

Directors' responsibilities statement

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 judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Independent Auditor's Report to the members of Rocco Forte & Family (Czech Republic) Limited

We have audited the financial statements of Rocco Forte & Family (Czech Republic) Limited for the year ended 30 April 2011 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet 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 auditor

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 2011 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.

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company is a subsidiary of the Rocco Forte & Family (Luxury Hotels) Limited Group and relies on financial support from its parent company. Subsequent to the year end Rocco Forte & Family (Luxury Hotels) Limited became a wholly owned subsidiary of the Rocco Forte & Family Limited Group. At the same time the Group's main banking facilities were successfully renegotiated and these are now in place until 2015. However, the enlarged Group has separate financing arrangements for one of its Italian subsidiaries which are currently being renegotiated. This, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Independent Auditor's Report to the members of Rocco Forte & Family (Czech Republic) Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

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, or
- the directors were not entitled to take advantage of small companies exemptions in preparing the directors' report

PKF (UK) LLP

Stuart Collins (Senior statutory auditor)
for and on behalf of PKF (UK) LLP, Statutory auditor
London, UK
28 March 2012

Rocco Forte & Family (Czech Republic) Limited

Profit and Loss account For the year ended 30 April 2011

	Note	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Administrative expenses		-	(262)
Operating loss		-	(262)
Interest payable and similar charges	2	(7)	-
Loss on ordinary activities before taxation	3	(7)	(262)
Tax on loss on ordinary activities	4	-	-
Loss for the year	8	(7)	(262)

All amounts relate to continuing activities

Rocco Forte & Family (Czech Republic) Limited

Statement of total recognised gains and losses For the year ended 30 April 2011

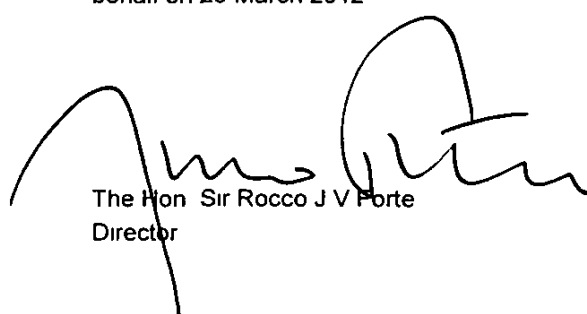
	Note	2011 £'000	2010 £'000
Loss for the year		<u>(7)</u>	<u>(262)</u>
Translation difference on foreign currency net investments	9	-	(9)
Translation difference on related borrowings	9	<u>-</u>	<u>9</u>
Total gains and losses relating to the year		<u><u>(7)</u></u>	<u><u>(262)</u></u>

Rocco Forte & Family (Czech Republic) Limited
Company Registration No. 5521655

Balance Sheet
As at 30 April 2011

	Note	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Fixed assets			
Investments	5	-	-
Net current assets and total assets less current liabilities		-	-
Creditors: amounts falling due after one year	6	(269)	(262)
Net liabilities		(269)	(262)
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	(269)	(262)
Shareholder's deficit	9	(269)	(262)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 March 2012



The Hon Sir Rocco J V Forte
Director

Rocco Forte & Family (Czech Republic) Limited

Notes to the accounts

Year ended 30 April 2011

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and preceding 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 its anticipated liabilities as they fall due.

Subsequent to the year end the Group's financing arrangements with the Bank of Scotland were successfully renegotiated. Long term facilities are now in place until June 2015. On 27 May 2011 Rocco Forte & Family Limited became the ultimate parent of the Company. Rocco Forte & Family Limited also renegotiated its main group financing arrangements with the Bank of Scotland and is currently renegotiating the long term financing arrangements in relation to one of its Italian subsidiaries with its Italian lender. In the event that revised long term facilities are not agreed, this may give rise to Bank of Scotland exercising their rights in the event of default under the Group's facilities. Therefore some uncertainty exists over the ability of Rocco Forte & Family (Luxury Hotels) Limited to provide financial support to the Company and the Company's ability to continue as a going concern.

Given the strong relationships that exist with the Group's banks, the constructive ongoing discussions with both lenders and taking account of all options available, the directors have the reasonable expectation that the Group and the Company will have the resources required to continue as a going concern. As such, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

Cash flow

Under the provisions of FRS 1 (Revised), the Company has not prepared a cash flow statement because its ultimate parent company, Rocco Forte & Family (Luxury Hotels) Limited, prepares consolidated accounts. The cash flows of the Company are included in the consolidated cash flow statement.

Exemption from preparation of group accounts

The Company has taken advantage of section 400 of the Companies Act 2006 and elected not to prepare consolidated accounts. These financial statements show company only results not group.

Investments

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

Related party disclosures

The Company is a subsidiary of Rocco Forte & Family (Luxury Hotels) Limited. Accordingly, the Company has taken advantage of the exemption in FRS 8 "Related Party Disclosures" not to disclose transactions with other wholly owned members of the group headed by Rocco Forte & Family (Luxury Hotels) Limited.

Rocco Forte & Family (Czech Republic) Limited

Notes to the accounts Year ended 30 April 2011

1. Accounting policies (continued)

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 the 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 year 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.

2. Interest payable and similar charges

	2011 £'000	2010 £'000
Foreign exchange losses	7	-
	<u>7</u>	<u>-</u>

3. Loss on ordinary activities before taxation

Auditors remuneration for audit services of the Company for the year of £5,250 (2010: £5,000) has been borne by the parent undertaking, Rocco Forte & Family (Luxury Hotels) Limited.

The Company had no employees other than its directors during the year and the prior year. The directors received no remuneration in respect of services to the Company during the year (2010: £nil).

4. Tax on loss on ordinary activities

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
UK corporation tax		
Current tax	-	-
Deferred tax	-	-
Total tax charge	<u>-</u>	<u>-</u>

Rocco Forte & Family (Czech Republic) Limited

Notes to the accounts Year ended 30 April 2011

4. Tax on loss on ordinary activities (continued)

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

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Loss on ordinary activities before tax	(7)	(262)
Tax at 27.8% (2010: 28%)	(2)	(73)
Effects of Expenses not deductible for tax purposes	2	73
Current tax charge for the year	-	-

There are no unprovided deferred tax assets or liabilities as at 30 April 2011 or 30 April 2010

5 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 30 April 2011 and 1 May 2010	7
Provision	
At 30 April 2011 and 1 May 2010	(7)
Net book value	
At 30 April 2011 and 1 May 2010	-

The Company has an investment in the following subsidiary

Subsidiary undertaking	Country of incorporation and principal business	Principal activity	Holding %
Rocco Forte & Family (Luxury Hotels) (Czech Republic) SRO*	Czech Republic	Hotel investment	90%

* Held directly

Rocco Forte & Family (Czech Republic) Limited

Notes to the accounts Year ended 30 April 2011

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

	2011 £'000	2010 £'000
Amounts owed to ultimate parent company	269	262

Amounts due to the parent company are repayable on 30 April 2014

7. Called up share capital

	2011 £'000	2010 £'000
Allotted, called up and fully paid: 1 ordinary share of £1	-	-

8. Reserves

	Profit and loss account £'000
At 1 May 2010	(262)
Loss for the year	(7)
At 30 April 2011	(269)

9 Reconciliation of movements in shareholder's funds

	2011 £'000	2010 £'000
Opening shareholder's deficit	(262)	-
Loss for the year	(7)	(262)
Currency translation difference on foreign currency net investments	-	(9)
Currency translation difference on related borrowings	-	9
Closing shareholder's deficit	(269)	(262)

Rocco Forte & Family (Czech Republic) Limited

**Notes to the accounts
Year ended 30 April 2011**

10 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 all the assets of the group companies. The amount outstanding on this facility at 30 April 2011 was £129,945,000 (2010 £191,691,000).

11 Ultimate holding company and controlling party

At the year end the Company's immediate and ultimate parent undertaking and controlling party is Rocco Forte & Family (Luxury Hotels) Limited. This is the only group in which the results of the Company are consolidated. Copies of the group financial statements of Rocco Forte & Family (Luxury Hotels) Limited are publicly available. Subsequent to the year end Rocco Forte & Family Limited became the ultimate controlling party.