

**Company Registration No. 5521655**

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

**Report and Financial Statements**

**30 April 2012**

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

## **Report and financial statements**

<b>Contents</b>	<b>Page</b>
<b>Officers and professional advisers</b>	<b>1</b>
<b>Directors' report</b>	<b>2</b>
<b>Directors' responsibilities statement</b>	<b>3</b>
<b>Independent auditor's report</b>	<b>4</b>
<b>Profit and loss account</b>	<b>6</b>
<b>Balance sheet</b>	<b>7</b>
<b>Notes to the accounts</b>	<b>8</b>

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

## **Report and financial statements**

### **Officers and professional advisers**

#### **Directors**

Sir Rocco Forte  
Alan Clark

#### **Registered office**

70 Jermyn Street  
London  
SW1Y 6NY

#### **Solicitors**

Forsters LLP  
31 Hill Street  
London  
W1J 5LS

#### **Bankers**

Bank of Scotland  
The Mound  
Edinburgh  
EH1 1YZ

#### **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 2012

### **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 profit for the year after taxation was £23,000 (2011 loss of £7,000) The directors do not propose the payment of a dividend (2011 £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

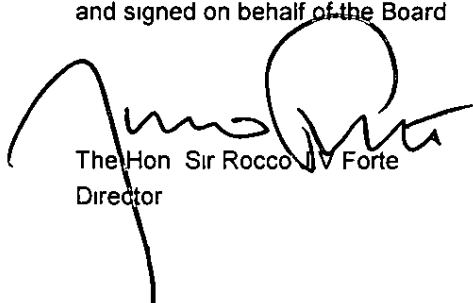
### **Provision of information to auditor**

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 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, to disclose with reasonable accuracy at any time the financial position of the company and to 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 2012 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 2012 and of its profit 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 Limited Group and relies on financial support from its immediate parent company, Rocco Forte & Family (Luxury Hotels) Limited. During the year, the Group's main banking facilities were successfully renegotiated; however, the Group has separate financing arrangements for one of its Italian subsidiaries where financial progress has been slower than required to meet the terms of the existing facilities, and as a result these 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

*29 January 2013*

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

**Profit & Loss Account**  
**Year ended 30 April 2012**

	<b>Note</b>	<b>Year ended 30 April 2012 £'000</b>	<b>Year ended 30 April 2011 £'000</b>
Interest receivable and similar income	2	23	-
Interest payable and similar charges	2	-	(7)
<b>Profit / (loss) on ordinary activities before taxation</b>	3	23	(7)
Tax on profit / (loss) on ordinary activities	4	-	-
<b>Profit / (loss) for the year</b>	8	23	(7)

All amounts relate to continuing activities

The Company has no other recognised gains or losses for the current year and the preceding financial years other than the profit of £23,000 (2011 loss of £7,000) shown above. Accordingly no statement of recognised gains and losses is presented.

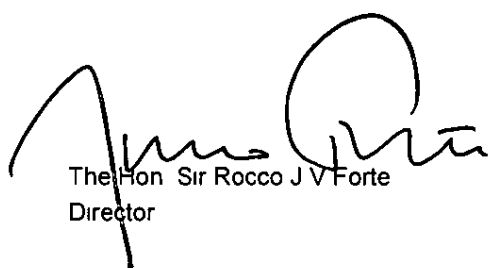


**Rocco Forte & Family (Czech Republic) Limited**  
**Company Registration No. 5521655**

**Balance Sheet**  
**As at 30 April 2012**

	Note	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
<b>Fixed assets</b>			
Investments	5	-	-
<b>Creditors amounts falling due within one year</b>	6	(246)	(269)
<b>Net current liabilities and total assets less current liabilities</b>		(246)	(269)
<b>Net liabilities</b>		(246)	(269)
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	8	(246)	(269)
<b>Shareholder's deficit</b>	9	(246)	(269)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 January 2013



The Hon Sir Rocco J V Forte  
 Director

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

## **Notes to the accounts Year ended 30 April 2012**

### **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 net current liabilities for the year and therefore relies on financial support from its immediate parent company, Rocco Forte & Family (Luxury Hotels) Limited. The immediate 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.

During the year the Group's banking facilities were successfully renegotiated with the Bank of Scotland and these are now in place until June 2015. The Group has separate financing arrangements for one of its Italian subsidiaries; however, financial progress with this subsidiary has been slower than required to meet all the conditions of its existing facilities. As a result, the long term financing arrangements relating to the Italian subsidiary are currently being renegotiated with its Italian lender. As described in note 10 the company is party to a group loan facility with Bank of Scotland. 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.

Discussions are proceeding with the Italian lender in a positive fashion and currently indicate that a long term financing solution can be achieved. Therefore, given the constructive ongoing discussions, the strong relationships that exist with the Group's banks and taking account of all options available to the Group, 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 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 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 Limited.

# Rocco Forte & Family (Czech Republic) Limited

## Notes to the accounts Year ended 30 April 2012

### 1. Accounting policies (continued)

#### Taxation

Corporation tax payable is provided on taxable profits at the current rate of taxation. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax balances are not discounted.

#### 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

#### Interest receivable and similar income

	2012 £'000	2011 £'000
Foreign exchange gain	23	-
	<u>23</u>	<u>-</u>

#### Interest payable and similar charges

	2012 £'000	2011 £'000
Foreign exchange loss	-	7
	<u>-</u>	<u>7</u>

## Rocco Forte & Family (Czech Republic) Limited

### Notes to the accounts Year ended 30 April 2012

#### 3. Profit / (loss) on ordinary activities before taxation

Auditors remuneration for audit services of the Company for the year of £5,400 (2011 £5,250) 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 (2011 £nil)

#### 4 Tax on profit / (loss) on ordinary activities

	Year ended 30 April 2012 £'000	Year ended 30 April 2011 £'000
UK corporation tax		
Current tax	-	-
Deferred tax	-	-
Total tax charge	-	-

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 2012 £'000	Year ended 30 April 2011 £'000
Profit / (loss) on ordinary activities before tax	23	(7)
Tax at 25.8% (2011 27.8%)	6	(2)
Effects of		
Expenses not deductible for tax purposes	-	2
Utilisation of tax losses and tax losses carried forward	(2)	-
Group relief (claimed) / surrendered	(4)	-
Current tax charge for the year	-	-

There are no unprovided deferred tax assets or liabilities as at 30 April 2012 or 30 April 2011

# Rocco Forte & Family (Czech Republic) Limited

## Notes to the accounts Year ended 30 April 2012

### 5 Fixed asset investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 30 April 2012 and 1 May 2011	7
<b>Provision</b>	
At 30 April 2012 and 1 May 2011	(7)
<b>Net book value</b>	
At 30 April 2012 and 1 May 2011	-

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			

### 6. Creditors amounts falling due within one year

	2012 £'000	2011 £'000
Amounts owed to immediate parent company	246	269

### 7. Called up share capital

	2012 £'000	2011 £'000
<b>Allotted, called up and fully paid*</b>		
1 ordinary share of £1	-	-

## Rocco Forte & Family (Czech Republic) Limited

### Notes to the accounts Year ended 30 April 2012

#### 8 Reserves

	Profit and loss account £'000
At 1 May 2011	(269)
Profit for the year	23
	<hr/>
At 30 April 2012	(246)
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#### 9 Reconciliation of movements in shareholder's funds

	2012 £'000	2011 £'000
Opening shareholder's deficit	(269)	(262)
Profit / (loss) for the year	23	(7)
Currency translation difference on foreign currency net investments	-	-
Currency translation difference on related borrowings	-	-
	<hr/>	<hr/>
Closing shareholder's deficit	(246)	(269)
	<hr/>	<hr/>

#### 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 2012 was £247,462,131 (2011 £129,945,000). The outstanding amount has increased following the acquisition of the Rocco Forte & Family (Luxury Hotels) Limited group by Rocco Forte & Family Limited as the company is now subject to cross guarantee in respect of the enlarged group's bank debt.

#### 11 Ultimate holding company and controlling party

At the year end the Company's immediate parent is Rocco Forte & Family (Luxury Hotels) Limited. Rocco Forte & Family Limited is the ultimate parent undertaking and controlling party. This is the only group in which the results of the Company are consolidated. Copies of the group financial statements of Rocco Forte & Family Limited are publicly available. The Hon Sir Rocco Forte, a director of Rocco Forte & Family Limited, and members of his close family, control the Company as a result of controlling directly or indirectly 99% of the issued share capital of Rocco Forte & Family Limited (2011 93%).