

Company Registration No. 5521655

Czech Holdings Limited

**Report and Financial Statements
30 April 2013**



Czech Holdings Limited

Report and financial statements 30 April 2013

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Czech Holdings Limited

Report and financial statements 30 April 2013

Officers and professional advisers

Directors

The Hon Sir Rocco J V 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

BDO LLP
55 Baker St
London
W1U 7EU

Czech Holdings 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 2013

Principal activity

The principal activity of the Company was to hold an investment in a subsidiary undertaking which leased and operated a hotel property in Prague. During the year the lease was exited and the investment was sold.

Business review and future developments

The Company owned 90% of the issued share capital of Prague Hospitality SRO, which leased and operated The Augustine Hotel until it exited the lease agreement on 18 January 2013 and subsequently sold its shares in Prague Hospitality SRO.

Results and dividends

The profit for the year after taxation was £116,000 (2012 profit of £23,000). The directors do not propose the payment of a dividend (2012 £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.

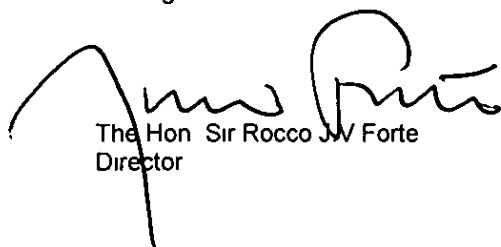
Provision of information to auditor

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.V Forte
Director

Czech Holdings Limited

Directors' responsibilities

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, 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 Czech Holdings Limited

We have audited the financial statements of Czech Holdings Limited for the year ended 30 April 2013 which comprise the profit and loss account, 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 auditors

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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council'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 2013 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. 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 are currently being renegotiated with the Italian lender. In the event that revised long term facilities are not agreed with the Italian lender, this may give rise to Bank of Scotland exercising their rights due to an event of default under the Group's facilities. These conditions, along with the other matters explained in note 1 to the financial statements, give rise to a material uncertainty which may cast significant doubt on 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 Czech Holdings Limited

Opinion on other matters 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

BDO LLP

Stuart Collins (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom
4th November 2013

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

Czech Holdings Limited
Company Registration No. 5521655

Profit & Loss Account
Year ended 30 April 2013

	Note	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Interest receivable and similar income	2	-	23
Interest payable and similar charges	2	(9)	-
Gain on the sale of investments	5	125	-
Profit on ordinary activities before taxation	3	<u>116</u>	<u>23</u>
Tax on profit on ordinary activities	4	-	-
Profit for the year	8	<u>116</u>	<u>23</u>

All amounts relate to continuing activities

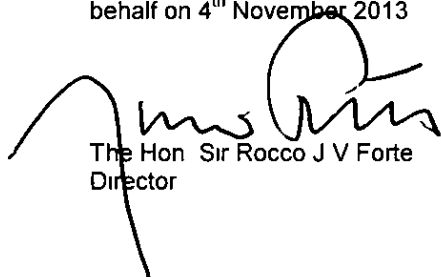
The Company has no other recognised gains or losses for the current year and the preceding financial years other than the profit of £116,000 (2012 profit of £23,000) shown above. Accordingly no statement of recognised gains and losses is presented.

Czech Holdings Limited
Company Registration No. 5521655

Balance Sheet
As at 30 April 2013

	Note	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
Fixed assets			
Investments	5	-	-
Creditors, amounts falling due within one year	6	(130)	(246)
Net current liabilities and total assets less current liabilities		(130)	(246)
Net liabilities		(130)	(246)
Capital and reserves			
Called up share capital	7	-	-
Profit and loss account	8	(130)	(246)
Shareholder's deficit	9	(130)	(246)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4th November 2013



The Hon Sir Rocco J V Forte
Director

Czech Holdings Limited

Notes to the accounts Year ended 30 April 2013

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 not require repayment of intercompany loans before 30 April 2015 to ensure the Company can meet all liabilities as they fall due for the foreseeable future.

The Group's banking facilities with the Bank of Scotland are 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 due to an event of default under the Group's facilities. These conditions give rise to a material uncertainty related to events or conditions which may cast significant doubt on 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 will 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 and not those of group.

Investments

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

Czech Holdings Limited

Notes to the accounts Year ended 30 April 2013

1. Accounting policies (continued)

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.

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

	2013 £'000	2012 £'000
Foreign exchange gain	-	23
	<u>-</u>	<u>23</u>

Interest payable and similar charges

	2013 £'000	2012 £'000
Foreign exchange loss	9	-
	<u>9</u>	<u>-</u>

Czech Holdings Limited

Notes to the accounts Year ended 30 April 2013

3. Profit on ordinary activities before taxation

Auditor's remuneration for audit services of the Company for the year of £5,600 (2012 £5,400) 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 (2012 £nil)

4. Tax on profit on ordinary activities

	Year ended 30 April 2013 £'000	Year ended 30 April 2012 £'000
UK corporation tax at 23.92% (2012 25.8%)	-	-
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 2013 £'000	Year ended 30 April 2012 £'000
Profit on ordinary activities before tax	116	23
Tax at 23.92% (2012 25.8%)	28	6
Effects of		
Gain on disposal not taxable	(30)	-
Utilisation of tax losses and tax losses carried forward	-	(2)
Group relief surrendered / (claimed)	2	(4)
Current tax charge for the year	-	-

There are no unprovided deferred tax assets or liabilities as at 30 April 2013 or 30 April 2012

Czech Holdings Limited

Notes to the accounts Year ended 30 April 2013

5 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost	
At 1 May 2012	7
Sale of investment	(7)
	<hr/>
At 30 April 2013	-
	<hr/>
Provision	
At 1 May 2012	7
Release of provision	(7)
	<hr/>
At 30 April 2013	-
	<hr/>
Net book value	
At 1 May 2012	-
	<hr/>
At 30 April 2013	-
	<hr/>

During the year the 90% investment in Prague Hospitality SRO was disposed of, the gain on disposal of £125,000 is recognised in the profit and loss account

6 Creditors amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed to immediate parent company	130	246
	<hr/>	<hr/>

Since the year end, the parent company has indicated that it will not require repayment of intercompany loans before 30 April 2015

7 Called up share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid		
1 ordinary share of £1	-	-
	<hr/>	<hr/>

Czech Holdings Limited

Notes to the accounts Year ended 30 April 2013

8. Reserves

	Profit and loss account £'000
At 1 May 2012	(246)
Profit for the year	116
At 30 April 2013	<u>(130)</u>

9 Reconciliation of movements in shareholder's funds

	2013 £'000	2012 £'000
Opening shareholder's deficit	(246)	(269)
Profit for the year	116	23
Closing shareholder's deficit	<u>(130)</u>	<u>(246)</u>

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 2013 was £248,387,698 (2012 £247,462,131).

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 (2012 99%).