

**Company Registration No. 05893288**

**Samovar Hospitality Limited**

**Report and Financial Statements**

**30 April 2011**

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## **Samovar Hospitality Limited**

### **Report and financial statements**

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## **Samovar Hospitality Limited**

### **Report and financial statements**

#### **Officers and professional advisers**

##### **Director**

The Hon Sir Rocco J V Forte

##### **Registered office**

70 Jermyn Street  
London  
SW1Y 6NY

##### **Solicitors**

Forsters LLP  
31 Hill Street  
London  
W1J 5LS

##### **Bankers**

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

##### **Auditor**

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

# **Samovar Hospitality Limited**

## **Director's report**

The director presents the annual report on the affairs of the Company, together with the accounts and auditor's report for the year to 30 April 2011

### **Principal activity**

The principal activity of the Company is to hold investments in subsidiary undertakings which will manage hotel properties in Russia and own and licence the brand name

### **Business review and future developments**

The Company owns 75.5% of the issued share capital of Samovar Hospitality (Cyprus) Limited, which will manage hotel properties in Russia, and 75.5% of the issued share capital of Samovar International Limited (BVI), which will own and licence the brand for the hotel properties

### **Results and dividends**

The profit for the year after taxation was £1,000 (2010: £nil). The director does not propose the payment of a dividend (2010: £nil).

### **Directors**

The name of the current director of the Company is stated on page 1, who served throughout the year.

### **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

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## **Samovar Hospitality Limited**

### **Director's responsibilities statement**

The director is responsible for preparing the director's report and the financial statements in accordance with applicable law and regulations

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 Samovar Hospitality Limited**

We have audited the financial statements of Samovar Hospitality Limited for the year ended 30 April 2011 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 director and auditor**

As explained more fully in the director's responsibilities statement, the director is 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 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 parent company. Subsequent to the year end, the Group's main banking facilities were successfully renegotiated and these are now in place until 2015. However, the 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 Samovar Hospitality Limited**

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the director's 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 director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to take advantage of small companies exemptions in preparing the director's report

PKF(UK)LLP

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

28 March 2012

## **Samovar Hospitality Limited**

### **Profit and Loss Account Year ended 30 April 2011**

		<b>Year ended 30 April 2011 £'000</b>	<b>Year ended 30 April 2010 £'000</b>
	<b>Note</b>		
Interest receivable and other income		1	-
<b>Profit on ordinary activities before taxation</b>		1	-
Tax on profit on ordinary activities	3	-	-
<b>Profit for the year</b>	9	1	-

All activities are in respect of continuing operations

There are no recognised gains or losses in the year or previous year other than the profit for the year

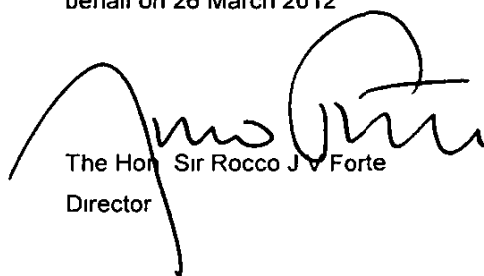


**Samovar Hospitality Limited**  
**Company Registration No. 05893288**

**Balance Sheet**  
**As at 30 April 2011**

	Note	2011 £'000	2010 £'000
<b>Fixed assets</b>			
Investments	4	-	-
<b>Current liabilities</b>			
Creditors' amounts falling due within one year	5	(11)	(12)
<b>Net current liabilities</b>		(11)	(12)
<b>Total assets less current liabilities</b>		(11)	(12)
<b>Creditors: amounts falling due after one year</b>	6	(25)	(25)
<b>Net liabilities</b>		(36)	(37)
<b>Capital and reserves</b>			
Called up share capital	7	-	-
Profit and loss account	8	(36)	(37)
<b>Shareholder's deficit</b>	9	(36)	(37)

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

# **Samovar Hospitality Limited**

## **Notes to the accounts Period ended 30 April 2011**

### **1 Accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the 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 current liabilities and net liabilities for the year and therefore relies on financial support from its parent company, Rocco Forte & Family Limited. 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 banking facilities were successfully renegotiated with the Bank of Scotland and these are now in place until June 2015. In addition, long term financing arrangements in relation to one of the Italian subsidiaries of the Parent Company are currently being renegotiated 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 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 Limited, has prepared 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 as it is included in the consolidated accounts of a larger group. These financial statements show company only results and not those of the group.

#### **Investments**

Fixed asset investments are shown at cost less provision for impairment, in accordance with FRS 11. Impairment of fixed assets and goodwill.

#### **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.

## Samovar Hospitality Limited

### Notes to the accounts Period ended 30 April 2011

#### 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.

#### 2 Profit 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 Limited.

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

#### 3. Tax on profit 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	-	-

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

	Year ended 30 April 2011 £'000	Year ended 30 April 2010 £'000
Profit on ordinary activities before tax	1	-
Tax at 27.8% (2010: 28%)	-	-

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

# Samovar Hospitality Limited

## Notes to the accounts Period ended 30 April 2011

### 4 Fixed asset investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 30 April 2011 and 1 May 2010	16
<b>Provisions</b>	
At 30 April 2011 and 1 May 2010	16
<b>Net book value</b>	
At 30 April 2011 and 1 May 2010	-

The Company has investments in the following subsidiaries

Subsidiary undertaking	Country of incorporation and principal business	Principal activity	Holding %
Samovar Hospitality (Cyprus) Limited *	Cyprus	Hotel investment	75 5%
Samovar International Limited (BVI) *	British Virgin Islands	Hotel investment	75 5%

\* Held directly

### 5 Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Amounts owed to group undertakings	11	12

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

	2011 £'000	2010 £'000
Amounts owed to ultimate parent company	25	25

### 7. Called up share capital

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

## Samovar Hospitality Limited

### Notes to the accounts Period ended 30 April 2011

#### 8 Reserves

	Profit and loss account £'000
At 1 May 2010	(37)
Profit for the year	1
At 30 April 2011	<u>(36)</u>

#### 9 Reconciliation of movements in shareholder's deficit

	2011 £'000	2010 £'000
Profit for the year	1	-
Net increase to shareholder's funds	1	-
Opening shareholder's deficit	(37)	(37)
Closing shareholder's deficit	<u>(36)</u>	<u>(37)</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 certain assets of the group companies. The amount outstanding on this facility at 30 April 2011 was £101,575,000 (2010: £125,819,000).

#### 11. Ultimate holding company and controlling party

The Company's immediate and ultimate parent undertaking is Rocco Forte & Family Limited. Rocco Forte & Family Limited is the parent company of the largest and smallest group of which the Company is a member and for which group accounts are drawn up. 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 93% of the issued share capital of Rocco Forte & Family Limited. Subsequent to the year end this increased to 98%.