

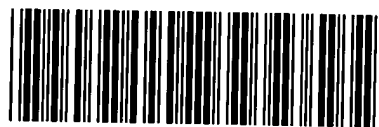
# **The Balmoral Hotel Edinburgh Limited**

Report and Financial Statements

Year ended 30 April 2018

Company Number 08472373

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# **The Balmoral Hotel Edinburgh Limited**

## **Report and financial statements for the year ended 30 April 2018**

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### **Directors**

The Hon Sir Rocco J V Forte  
David Gareth Caldecott  
Maurizio Saccani

### **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

# The Balmoral Hotel Edinburgh Limited

## Strategic report for the year ended 30 April 2018

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The Directors present their strategic report and the audited financial statements for the year ended 30 April 2018.

### Review of operations

The principal activity of the Company is the operation and ownership of The Balmoral Hotel in Edinburgh. The hotel is part of the Rocco Forte Group of luxury hotels. In the year to 30 April 2018 the business recorded revenue of £24.9m (2017 - £23.4m). Earnings before interest, taxation, depreciation and amortisation (EBITDA) for the year was £6.5m (2017 - £6.0m).

### Performance indicators

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

The Directors were satisfied with the performance of the hotel during the financial year.

### Future developments

The Company continues to invest in the hotel through on-going capital investment programmes, in both rooms and public areas, so as to support, maintain and strengthen its respective position in its local market as well as help maintain the brand's position as one of the leading luxury hotel companies in the world.

During the current financial year, the hotel undertook further refurbishment for its "Old Town" facing rooms and the bar and restaurant have also undergone extensive refurbishment, with the successful launch of the new "Brasserie Prince" restaurant in May 2018 which has been well received.

### Funding arrangements

The Company is funded through internal Group funding arrangements, via a long term loan with floating rates of interest. The Group has core financial facilities to which the Company is party with Bank of Scotland.

### Principal risks and uncertainties

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

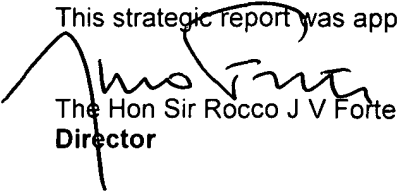
- Increased competition and supply in the luxury hotel market in Edinburgh and the UK;
- Further terrorist activities that could deter international travel;
- The ability to retain and recruit sufficient numbers of talented team members in an increasingly competitive employment market could impact operational continuity and profitability;
- Global issues such as conflicts and pandemics that could affect international travel;
- Possible economic downturn and the associated impact on domestic and international travel; and
- Exchange and interest rate movements.

The Directors take measures to minimise the Company's exposure to these risks on an ongoing basis.

### Other matters

The Company is committed to minimising the impact of its hotel on the environment. Rocco Forte Hotels maintain various energy-saving initiatives and recycling programmes at the hotel.

This strategic report was approved on behalf of the Board on 23 August 2018 by:



The Hon Sir Rocco J V Forte  
Director

# **The Balmoral Hotel Edinburgh Limited**

## **Report of the Directors for the year ended 30 April 2018**

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The Directors present their annual report and the audited financial statements for the year ended 30 April 2018.

### **Directors**

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

The Hon Sir Rocco J V Forte  
David Gareth Caldecott  
Maurizio Saccani

### **Results and dividends**

The profit for the year after taxation was £3.4 m (2017 - £2.9m). During the year an interim dividend totalling £2.5m (2017 - £1.5m) was paid to Rocco Forte Hotels Limited, the Company's immediate and ultimate parent company.

### **Financial risk management**

The Company does not actively use financial instruments as part of its financial risk management strategy. It is exposed to credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. The nature of its financial instruments means that they are not subject to price risk or liquidity risk.

The Company is partly financed by way of a long term loan from a group company at floating rates of interest.

### **Employee involvement**

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company. Annual independent staff surveys are undertaken with a view to understanding better the opinions of staff in matters that affect them. The Company seeks to develop people and provide them with promotion opportunities wherever possible.

The Company's employment policies meet relevant standards on employment of disabled people. Full and fair consideration is given to disabled applicants for employment and training, and career development is encouraged on the basis of aptitude and ability. It is Company policy to retain employees who become disabled whilst in its service and to provide specialist training where appropriate

# The Balmoral Hotel Edinburgh Limited

## Report of the Directors for the year ended 30 April 2018 (*continued*)

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### 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 its 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**

23 August 2018

# **The Balmoral Hotel Edinburgh Limited**

## **Directors' responsibilities**

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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 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;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# The Balmoral Hotel Edinburgh Limited

## Independent auditor's report

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF THE BALMORAL HOTEL EDINBURGH LIMITED

#### Opinion

We have audited the financial statements of The Balmoral Hotel Edinburgh Limited ("the Company") for the year ended 30 April 2018 which comprise the profit and loss statement, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2018 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.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **The Balmoral Hotel Edinburgh Limited**

## **Independent auditor's report**

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### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report and Director's report.

We have nothing to report in respect of the following matters in relation to which 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.

### **Responsibilities of Directors**

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# The Balmoral Hotel Edinburgh Limited

## Independent auditor's report

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### Use of our report

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.



Mark RA Edwards (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London  
23 August 2018

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

# The Balmoral Hotel Edinburgh Limited

## Profit and loss statement for the year ended 30 April 2018

	Note	2018 £'000	2017 £'000
<b>Turnover</b>	2	24,884	23,378
Cost of sales		(10,822)	(10,493)
		<hr/>	<hr/>
<b>Gross profit</b>		14,062	12,885
Administrative expenses		(8,946)	(8,468)
		<hr/>	<hr/>
<b>Operating profit</b>		5,116	4,417
Interest income	3	11	-
Interest payable	4	(1,269)	(1,284)
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	5	3,858	3,133
Tax charge on profit on ordinary activities	8	(472)	(259)
		<hr/>	<hr/>
<b>Profit and total comprehensive income for the year</b>		<u>3,386</u>	<u>2,874</u>

All activities are in respect of continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

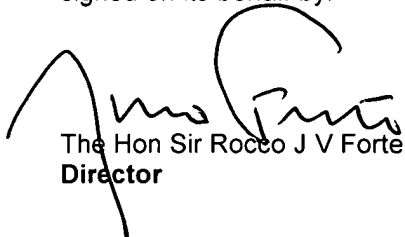
# The Balmoral Hotel Edinburgh Limited

Company number 08472373

## Balance sheet at 30 April 2018

	Note	2018 £'000	2018 £'000	2017 £'000	2017 £'000
<b>Fixed assets</b>					
Tangible fixed assets	9		40,514		37,806
Intangible assets	10		18		25
			40,532		37,831
<b>Current assets</b>					
Stock	11	347		345	
Debtors due within one year	12	653		817	
Cash at bank and in hand		1,807		2,965	
		2,807		4,127	
<b>Creditors: amounts falling due within one year</b>	13	(3,944)		(3,544)	
<b>Net current (liabilities)/assets</b>			(1,137)		583
<b>Total assets less current liabilities</b>			39,395		38,414
<b>Creditors: amounts falling due after more than one year</b>	14		(33,882)		(33,920)
<b>Deferred taxation</b>	8		(169)		(36)
<b>Net assets</b>			5,344		4,458
<b>Capital and reserves</b>					
Called up share capital	15		-		-
Profit and loss account			5,344		4,458
<b>Shareholder's funds</b>			5,344		4,458

The financial statements were approved by the Board and authorised for issue on 23 August 2018. They were signed on its behalf by:

  
The Hon Sir Rocco J V Forte  
Director

The notes on pages 11 to 19 form part of these financial statements.

# The Balmoral Hotel Edinburgh Limited

## Statement of Changes in Equity for the year ended 30 April 2018

	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 May 2017	-	4,458	4,458
Profit for the year	-	3,386	3,386
Dividends paid	-	(2,500)	(2,500)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2018	-	5,344	5,344
	<hr/>	<hr/>	<hr/>

## Statement of Changes in Equity for the year ended 30 April 2017

	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 May 2016	-	3,084	3,084
Profit for the year	-	2,874	2,847
Dividends paid	-	(1,500)	(1,500)
	<hr/>	<hr/>	<hr/>
Balance at 30 April 2017	-	4,458	4,458
	<hr/>	<hr/>	<hr/>

The notes on pages 11 to 19 form part of these financial statements.

# The Balmoral Hotel Edinburgh Limited

## Notes forming part of the financial statements for the year ended 30 April 2018

### 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").

The Company's immediate and 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 disclosures regarding the company's capital

The Company has also taken disclosure exemption for Financial Instruments as the information is included within Rocco Forte Hotels Limited consolidated financial statements.

#### *Going concern*

The Company reports net current liabilities for one year and therefore may require support from its parent company, Rocco Forte Hotels Limited. The parent company has agreed to provide additional loan facilities to the Company to support such obligations as and when they fall due for a period of at least 12 months from the date of approval of these financial statements if required. Accordingly, the financial statements have been prepared on a going concern basis.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

It is the Company's policy to maintain its properties in good condition and to a high standard. The Company depreciates freehold buildings over their useful economic life which is deemed to be 50-100 years, taking into account estimated residual values. No depreciation is provided in respect of freehold land.

Furniture, fittings and equipment are depreciated on a straight line basis, over 3 to 20 years depending on their estimated useful lives, from the date they are ready for use. Plant and equipment is depreciated on a straight line basis, over 15 to 25 years depending on their estimated useful lives from the date they are ready for use. It is the Company's policy not to provide depreciation on assets under construction.

#### *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.

# The Balmoral Hotel Edinburgh Limited

## Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

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### 1 Accounting policies (continued)

#### *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.

#### *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.

#### *Leases*

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### *Turnover*

Turnover represents amounts receivable for accommodation, food and beverage sales and ancillary hotel services provided in the normal course of business. It is recorded net of trade discounts, VAT and other sales related taxes. Turnover is recognised at the point at which goods and services are delivered to the customer. All turnover arises in the United Kingdom.

Deposits which have been received at the balance sheet date for which services have not yet been provided are included in accruals and deferred income within creditors.

#### *Stock*

Stock is stated at the lower of cost and net realisable value. Allowances are made for obsolete or slow-moving items where appropriate.

#### *Intangible assets*

Intangible assets acquired separately are measured at cost less amortisation and impairment. Computer software is depreciated on a straight line basis over 3 to 5 years depending on its estimated useful lives.

#### *Employee benefits*

The Company has a defined contribution plan. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss statement.

The Company recognises an accrual for employee entitlements which are payable and unpaid at the reporting date.

# The Balmoral Hotel Edinburgh Limited

## Notes forming part of the financial statements for the year ended 30 April 2018 (*continued*)

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### **1 Accounting policies (*continued*)**

#### *Interest income and expenses*

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

#### *Dividend distribution*

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are approved and paid.

#### *Debtors*

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured at fair value, net of transaction costs, and are measured subsequently at amortised costs using effective interest method, less any impairment.

#### *Cash at bank and in hand*

Cash is represented by cash in hand and deposits held at call with financial institutions.

#### *Creditors*

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

### ***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*

Intangible assets, property, plant and equipment and intercompany debtors are tested for impairment when events or circumstances indicate that their carrying value may not be recoverable.

#### *Tangible and intangible fixed assets and depreciation*

Management determines the estimated useful lives and related depreciation charges for the Company's tangible and intangible fixed assets. Management will revise the depreciation charge where useful lives are different to those previously estimated, or it will write off or write down obsolete assets.

# The Balmoral Hotel Edinburgh Limited

Notes forming part of the financial statements  
for the year ended 30 April 2018 (continued)

## 2 Segmental information

The turnover and trading results are attributable to the operation of the Balmoral Hotel, Edinburgh.

## 3 Interest income

	2018 £'000	2017 £'000
External interest receivable	11	-

## 4 Interest payable

	2018 £'000	2017 £'000
Interest payable to a Group company	1,269	1,284

## 5 Profit on ordinary activities before taxation

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation is stated after charging:		
Amortisation	7	6
Depreciation	1,328	1,548
Operating lease rentals:		
- plant and equipment	18	9
Auditor's remuneration:		
- for audit services	21	21
- for taxation services	3	3

## 6 Staff costs

The average monthly number of employees during the year was:

	2018 Number	2017 Number
Operational	259	270
Sales	14	14
Administration	20	21
	293	305

The aggregate remuneration for the year was:

	£'000	£'000
Wages and salaries	6,250	6,050
Social security costs	546	497
Pension costs – defined contribution plan	39	33
	6,835	6,580



# The Balmoral Hotel Edinburgh Limited

## Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

### 7 Directors' remuneration

Total Director Remuneration in the year was £25,000 (2017 - £25,000). The highest paid Director received £25,000 (2017 - £25,000).

### 8 Tax charge on profit on ordinary activities

The current tax charge in 2018 was £339,000 (2017 - £294,000). The Company's deferred tax expense was £133,000 in 2018 (2017 credit - £35,000).

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

	2018 £'000	2017 £'000
Profit on ordinary activities before tax	3,858	3,133
Tax charge at 19% (2017 - 19.9%)	733	624
Effects of:		
Group relief claimed	(467)	(474)
Expenses not deductible for tax purposes	73	10
Income not taxable for tax purposes	-	(4)
Deferred tax adjustments	133	103
Tax charge for the year	472	259

The deferred tax assets or liabilities recognised as at 30 April 2018 are as follows:

	2018 £'000	2017 £'000
Accelerated capital allowances	169	37
Other timing differences	-	(1)
Deferred tax liability	169	36

# The Balmoral Hotel Edinburgh Limited

Notes forming part of the financial statements  
for the year ended 30 April 2018 (*continued*)

## 9 Tangible fixed assets

	Land and buildings £'000	Plant and equipment £'000	Furniture, fittings and equipment £'000	Assets under construction £'000	Total £'000
<i>Cost</i>					
At 1 May 2017	32,283	2,911	8,606	809	44,609
Additions	-	-	1,976	2,060	4,036
Transfers	-	-	809	(809)	-
Disposals	-	(1)	(2,804)	-	(2,805)
At 30 April 2018	32,283	2,910	8,587	2,060	45,840
<i>Depreciation</i>					
At 1 May 2017	50	1,161	5,592	-	6,803
Charge for the year	13	290	1,025	-	1,328
Disposals	-	(1)	(2,804)	-	(2,805)
At 30 April 2018	63	1,450	3,813	-	5,326
<i>Net book value</i>					
30 April 2018	32,220	1,460	4,774	2,060	40,514
30 April 2017	32,233	1,750	3,014	809	37,806

The net book values of freehold land and buildings includes non-depreciable land of £8,400,000 (2017 - £8,400,000).

# The Balmoral Hotel Edinburgh Limited

## Notes forming part of the financial statements for the year ended 30 April 2018 (*continued*)

### 10 Intangible assets

	Software £'000	Total £'000
<i>Cost</i>		
At 1 May 2017	34	34
Additions	-	-
	<hr/>	<hr/>
At 30 April 2018	34	34
	<hr/>	<hr/>
<i>Depreciation</i>		
At 1 May 2017	9	9
Charge for the year	7	7
	<hr/>	<hr/>
At 30 April 2018	16	16
	<hr/>	<hr/>
<i>Net book value</i>		
30 April 2018	18	18
	<hr/>	<hr/>
30 April 2017	25	25
	<hr/>	<hr/>

### 11 Stock

	2018 £'000	2017 £'000
Food and beverage	228	218
Other consumables	119	127
	<hr/>	<hr/>
	347	345
	<hr/>	<hr/>

During the year items of stock which had been utilised amounting to £2,255,000 (2017 - £2,867,000) were recognised as an expense and included in cost of sales.

# The Balmoral Hotel Edinburgh Limited

Notes forming part of the financial statements  
for the year ended 30 April 2018 (continued)

## 12 Debtors: amounts due within one year

	2018 £'000	2017 £'000
Trade debtors	432	634
Amounts due from Group companies	31	4
Prepayments and accrued income	117	123
Other debtors	73	56
	<hr/>	<hr/>
	653	817
	<hr/>	<hr/>

## 13 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	401	328
Other taxation and social security	137	409
Corporation tax	369	264
Accruals and deferred income	3,037	2,518
Other creditors	-	25
	<hr/>	<hr/>
	3,944	3,544
	<hr/>	<hr/>

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

	2018 £'000	2017 £'000
Amounts owed to Group companies	33,882	33,920
	<hr/>	<hr/>

Amounts due to a Group company bore an interest rate of 3.35% plus LIBOR. The loan is due for repayment on 31 January 2020.

## 15 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).

An interim dividend of £2,500,000 was paid in the year to the Company's parent company, Rocco Forte Hotels Limited (2017 - £1,500,000).

# The Balmoral Hotel Edinburgh Limited

## Notes forming part of the financial statements for the year ended 30 April 2018 (continued)

### 16 Financial commitments

Future minimum lease payments under non-cancellable operating leases are as follows:

	2018 £'000	2017 £'000
Due within one year	7	9
Between two and five years	2	-
	<hr/>	<hr/>
	9	9
	<hr/>	<hr/>

### 17 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 2018 was £118,658,000 (2017 - £122,594,000).

### 18 Ultimate parent company and controlling party

Rocco Forte Hotels Limited is the immediate 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 75% of the issued share capital of Rocco Forte Hotels Limited (2017 - 75%).