

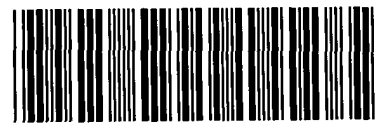
Company Registration No. 1680876

**Belmond Hotel Holdings (UK) Limited
(Formerly Orient-Express Hotels U.K. Limited)**

Annual Report and Financial Statements

For the year ended 31 December 2013

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Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Report and financial statements 2013

Contents	Page
Strategic report	1
Directors' report	2
Statement of directors' responsibilities	4
Independent auditor's report	5
Profit and loss account	7
Balance sheet	8
Notes to the financial statements	9

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Strategic report

The directors, in preparing this strategic report, have complied with Section 414C of the Companies Act 2006. The change of the company's name to Belmond Hotel Holdings (UK) Limited was approved by the board on 14 March 2014.

Principal activities

The Company continues to be engaged in hotel and leisure activities, providing sales and marketing support to all of the hotels, trains and cruises companies within the Belmond formerly Orient-Express Hotels group. The Company intends to continue similar operations in the future.

The Company made a profit in the current year before taxation of £419,000 (2012: £492,000), which relates to the provision of management services and sales and marketing activities. The Company's management fee income is determined by the financial performance of the hotel companies that the Company manages. The Company's sales and marketing income reflects the operating expenses incurred by the Company in the provision of these services, plus a fixed mark-up. The directors expect improved operating results in 2014.

The directors do not recommend a dividend for the year (2012: £nil).

Principal risks and uncertainties

The Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk, credit risk, liquidity risk, cash flow risk and price risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's balance sheet the principal financial risks the directors consider relevant to this Company are credit risk and liquidity risk. These risks are mitigated by the nature of the balances involved, with these payable to other group companies.

Approved by the Board of Directors
and signed on behalf of the Board on
08 September 2014



Martin O'Grady
Director

Belmond Hotel Holdings (UK) Limited

Formerly Orient-Express Hotels U.K. Limited

Directors' report

The directors present their report and the audited financial statements for the year ended 31 December 2013.

Principal activities and business review

The information that fulfils the Companies Act requirements of the business review is included in the Strategic Report. This includes a review of the development of the business of the company during the year, of its financial position at the end of the year, and the likely future development of the business.

Financial risk management

Details of the principal risks and uncertainties are included in the Strategic Report.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the Accounting Policies in the financial statements.

Directors

The directors who served during the year and to the date of these financial statements except as noted were as follows:

M O'Grady
P A Calvert (Resigned 06 August 2013)
F J M Boyen (Appointed 26 March 2013)
J M Scott (Appointed 25 March 2013)

None of the directors had any interest in the shares of the Company or of other group companies during the year or at the year end (2012: none).

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Directors' report (continued)

Statement of disclosure to auditor


Each person who is a director of the Company at the date when this report is approved confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to continue in office as the Company's auditor and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:


.....
M O'Grady
Director

08 September 2014

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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;
- state whether applicable UK Accounting Standards have been followed subject to any material departures disclosed and explained in the financial statements; 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 Belmond Hotel Holdings (UK) Limited

We have audited the financial statements of Belmond Hotel Holdings (UK) Limited for the year ended 31 December 2013 which comprise the profit and loss account, the balance sheet and the related notes 1 to 15. 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 statement of directors' responsibilities, 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 31 December 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.

Opinion on other matter prescribed by the Companies Act 2006


In our opinion 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.

Independent auditor's report to the members of Belmond Hotel Holdings (UK) Limited (continued)

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; and
- we have not received all the information and explanations we require for our audit.



Andrew Evans (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
08 September 2014

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Profit and loss account
For the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Turnover	1	7,174	7,518
Administrative expenses		(6,838)	(7,081)
Operating profit	4	336	437
Interest receivable	5	113	55
Profit on ordinary activities before taxation		449	492
Tax credit/(charge) on profit on ordinary activities	6	69	(304)
Profit on ordinary activities after taxation		518	188

All activities derive from continuing operations.

There are no recognised gains or losses in either the current or preceding financial year other than as shown in the profit and loss account. Accordingly, no statement of total recognised gains or losses is provided.

There are no movements in equity shareholders' deficit for the current financial year and preceding financial year other than as shown in the profit and loss account. Accordingly, no reconciliation of movements on equity shareholders' deficit is provided.

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Balance sheet
As at 31 December 2013

	Notes	2013 £'000	2012 £'000
Fixed assets			
Investments	7	42	42
Current assets			
Debtors	8	29,385	79,800
Cash		124	-
Creditors: amounts falling due within one year	9	29,509 (33,965)	79,800 (84,774)
Net current liabilities		(4,456)	(4,974)
Net liabilities		(4,414)	(4,932)
Capital and reserves			
Called up share capital	11	-	-
Profit and loss account		(4,414)	(4,932)
Shareholders' deficit		(4,414)	(4,932)

The financial statements of Belmond Hotel Holdings (UK) Limited formerly Orient-Express Hotels U.K. Limited, registered number 1680876 were approved by the Board of Directors and authorised for issue on 08 September 2014.

Signed on behalf of the Board of Directors



M O'Grady
 Director

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements
For the year ended 31 December 2013

1. Accounting policies

The consolidated financial statements have been prepared in accordance with applicable law and United Kingdom accounting standards. The particular accounting policies adopted are described below, and have been consistently applied in the current and preceding year.

Accounting convention and going concern

The financial statements are prepared under the historical cost convention.

The financial statements contain information about Belmond Hotel Holdings (UK) Limited formerly Orient-Express Hotels U.K. Limited as an individual company and do not contain consolidated financial information as the parent of a group. The results of the company and its subsidiaries are included in the consolidated accounts of Belmond Ltd. formerly Orient-Express Hotels Ltd., a company incorporated in Bermuda. The directors consider the accounts of Belmond Ltd. formerly Orient-Express Hotels Ltd., prepared under accounting principles generally accepted in the United States, to be equivalent to the requirements of the 7th EU Directive in all material respects and have therefore taken advantage of the Companies Act 2006, section 401, and not prepared consolidated accounts. The financial statements of Belmond Ltd. formerly Orient-Express Hotels Ltd. can be obtained from www.belmond.com.

As at 31 December 2013, the Company had net current liabilities of £4,456,000 (2012: £4,974,000) and net liabilities of £4,414,000 (2012: £4,932,000). The parent Company Orient-Express Hotels Limited has undertaken to provide continuing financial support to the Company as required for the foreseeable future. The directors, having assessed the responses of the directors of the Company's parent to their enquiries, have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of Belmond Hotel Holdings (UK) Limited formerly Orient-Express Hotels U.K. Limited to continue as a going concern or honour the letter of support provided to the directors of Belmond Hotel Holdings (UK) Limited formerly Orient-Express Hotels U.K. Limited.

On the basis of their assessment of the Company's financial position and of the enquiries made of the directors of the Belmond Hotel Holdings (UK) Limited formerly Orient-Express Hotels U.K. Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future.

Turnover

Turnover principally comprises fees from owning and managing hotels and related activities and all arises in the United Kingdom. Turnover is recognised as services are rendered based on the group consulting agreements.

Investments

Investments held as fixed assets are stated at cost less provision for impairment.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2013

1. Accounting policies (continued)

Taxation

Current tax is based on the profit for the year and is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to be reversed, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pension and other post retirement benefits

Pension costs for the Company's multiemployer defined benefit pension scheme and for the Company's defined contribution pension schemes are charged to the profit and loss account as they become payable.

Cash flow statement

The Company is exempt from the requirement to publish a cash flow statement, as it is a wholly-owned subsidiary of a Company publishing a consolidated cash flow statement.

2. Ultimate parent company and controlling party

The immediate and ultimate parent and controlling company, and the largest and smallest group for which consolidated financial statements are prepared is Belmond Ltd. formerly Orient-Express Hotels Ltd., a Company incorporated in Bermuda. Copies of its accounts can be obtained from its registered office at 22 Victoria Street, Hamilton, Bermuda (www.belmond.com).

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2013

3. Information regarding directors and employees

	2013	2012
	£'000	£'000
Employee costs for the year were:		
Wages and salaries	2,453	1,893
Social security costs	315	241
Other pension costs	186	163
	<u>2,954</u>	<u>2,297</u>
	2013	2012
	No.	No.
Average number of employees	<u>31</u>	<u>34</u>

No payments were made to any of the directors from this Company for the year ended 31 December 2013 and 2012.

4. Operating profit

Fees payable to the Company's auditors for the audit of the Company's annual accounts are £0,300 (2012: £10,300).

In 2013, the Company forgave certain intercompany balances that resulted in a charge to the profit and loss account of £700,000 during the year.

5. Interest receivable

	2013	2012
	£'000	£'000
Interest receivable from group undertakings	<u>113</u>	<u>55</u>

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2013

6. Tax charge/ (credit) on profit/(loss) on ordinary activities

	2013 £'000	2012 £'000
U.K. corporation tax at 23.25 % (2012: 24.5%)	(102)	265
Deferred taxation	33	39
	<u>(69)</u>	<u>304</u>

The tax assessed in the year is different than that resulting from applying the standard rate of corporation tax in the U.K.: 23.25 % (2012: 24.5%). The differences are explained below.

	2013 £'000	2012 £'000
Profit on ordinary activities before taxation	<u>449</u>	<u>492</u>
Tax on profit on ordinary activities at standard rate	104	121
Factors affecting the charge for the year:		
Capital allowances in excess of depreciation	(21)	(28)
Expenses not deductible for tax purposes	172	8
Group relief claimed for nil consideration	(255)	-
Adjustments in respect of previous periods	(102)	164
Total actual amount of current tax charge/(credit)	<u>(102)</u>	<u>265</u>

There is no unprovided deferred tax at 31 December 2013 (2012: £nil).

7. Investments held as fixed assets

	£'000
Cost and net book value At 31 December 2012 and 31 December 2013	<u>42</u>

Subsidiaries are listed in Note 14.

8. Debtors

	2013 £'000	2012 £'000
Amounts due from group undertakings	27,864	78,220
Amounts due from associated undertakings	737	1,337
Other receivables	28	-
Prepayments and accrued income	-	6
Corporation tax recoverable	674	122
Deferred tax asset (note 10)	82	115
	<u>29,385</u>	<u>79,800</u>

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2013

9. Creditors: amounts falling due within one year

	2013	2012
	£'000	£'000
Amounts due to group undertakings	33,787	83,912
Amounts due to associated undertakings	-	669
Accruals and deferred income	178	193
	<u>33,965</u>	<u>84,774</u>

10. Deferred taxation

The amounts of deferred tax provided in the accounts are:

	2013	2012
	£'000	£'000
Opening deferred tax asset	115	154
Origination and reversal of timing difference	(20)	(28)
Effect in changes in tax rate	(13)	(11)
	<u>82</u>	<u>115</u>
Closing deferred tax asset		
Analysis of the deferred tax balance:		
	2013	2012
	£'000	£'000
Accelerated capital allowances	<u>82</u>	<u>115</u>

There are no unprovided potential deferred tax liabilities at 31 December 2013 (2012: £nil).

11. Called up share capital

	2013	2012
	£	£
Authorised		
100 (2012: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 (2012: 100) ordinary shares of £1 each	<u>100</u>	<u>100</u>

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2013

12. Pension arrangements

Belmond (UK) Limited formerly Orient-Express Services Limited operates the Orient-Express 2003 Pension scheme, a defined benefit pension scheme, which is open to employees of its subsidiary companies (participating companies), under which contributions are paid by the group and employees.

As certain of the scheme members are employees of other related companies outside of the Company, it is not possible to identify the Company's share of the underlying assets and liabilities.

The assets of the scheme are held in a trustee administered fund separate from the finances of the participating companies. Therefore, in line with the requirement of FRS 17, only information about the existence of any surplus or deficit is disclosed.

At 31 December 2013 the deficit in the Orient-Express 2003 Pension Scheme amounted to £967,000 (2012: £5,077,000).

13. Related party disclosure

The Company is a wholly-owned subsidiary undertaking and has taken advantage of the exemption available under paragraph 3 (c) of Financial Reporting Standard 8 "Related Party Disclosures" not to disclose transactions with wholly-owned group entities or investees of the group qualifying as related parties

14. Listing of subsidiary undertakings

	% of share capital held		Incorporated in	Principal Activity
	Direct	Indirect		
Exclusive Destinations (Pty) Limited	100		South Africa	Tourist agent Safari Camp
Belmond Botswana Limited formerly Orient-Express Hotels Botswana Limited	100		Bermuda	Operation Safari Camp
Horatio Properties Limited	100		United Kingdom	Property investment
Fraser's Helmsley Properties (Pty) Limited		100	South Africa	Property investment
Egerland Investments (Pty) Limited		100	South Africa	Liquidated
Helmsley Motor Inn (Pty) Limited		100	South Africa	Liquidated
Mount Nelson Commercial Properties (Pty) Limited		100	South Africa	Property investment
Mount Nelson Residential Properties (Pty) Limited		100	South Africa	Property investment

The companies listed above provide consulting services and related activities to Mount Nelson Hotel Limited in South Africa.

	% of share capital held	Incorporated in	Principal Activity
Belmond (UK) Limited formerly Orient-Express Services Limited	100	United Kingdom	Management services
Belmond Limited formerly Orient-Express Limited	100	United Kingdom	Dormant
Reid's Hotel Madeira Limited	100	United Kingdom	Dormant
Venice Simplon-Orient-Express Tours Limited	100	United Kingdom	Dormant

Belmond Hotel Holdings (UK) Limited
Formerly Orient-Express Hotels U.K. Limited

Notes to the financial statements (continued)
For the year ended 31 December 2013

15. Subsequent events

On 27 February 2014, Orient-Express Hotel Ltd announced “Belmond”, a newly created brand name under which it will market and operate its luxury hotel and travel experiences. The change in brand name has resulted in the change of the Company’s name from “OrientExpress Hotels U.K. Limited” to “Belmond Hotel Holdings (UK) Limited” on 14 March 2014.

In addition, 21 March 2014, the parent company completed a US\$657,000,000 senior secured credit facility, consisting of a US\$552,000,000 seven-year term loan (“Term Loan B”) and a US\$105,000,000 five year, multi-currency revolving facility. The Term Loan B comprises of US\$345,000,000 U.S. dollar denominated tranche and a €150,000,000 Euro denominated tranche (US\$207,000,000 as of completion date). The parent company used the Term Loan B proceeds to settle all of the funded debt of the group.