

Claridge's Hotel Limited

Directors' report and financial statements

For the period ended 31 December 2010

Registered number 29022



Claridge's Hotel Limited

Directors' report and financial statements

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Claridge's Hotel Limited

Directors and other information

Directors

Stephen Alden
Mark Hennebry

Secretary

Carole Walker

Registered office

30 Old Burlington Street
Mayfair
London
W1S 3AR

Bankers

Allied Irish Bank (GB)
City Office
9 – 10 Angel Court
London
EC2R 7AB

Auditors

KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2

Solicitors

DLA Piper UK LLP
3 Noble Street
London
EC2V 7EE

Claridge's Hotel Limited

Directors' report

The directors present their report and the audited financial statements for the 18 month period ended 31 December 2010

Activities

The principal activity of the company is the ownership and operation of Claridge's Hotel

Review of developments and future prospects

The profit for the 18 month period to 31 December 2010 before tax was £29.7 million (*year ended 30 June 2009 £16.9 million*). The profit and loss account is shown on page 10. The directors expect that the present activity level will at least be sustained for the foreseeable future.

Business review

The company maintained occupancy at 82% during the 18 month period ended 31 December 2010 (*year ended 30 June 2009 79%*). Revenue per available room (RevPar) for the company increased by £71 to £464 an 18.1% growth (*2009 £393*). The key risk facing the company's performance for 2011 is a downturn in the global economy.

Dividends

During the period no dividends have been paid or proposed (*year ended 30 June 2009 Nil*).

Directors and their interests

The directors who held office during the period were as follows

Stephen Alden

Mark Hennebry

Lisa Seelinger Resigned 30 November 2010

The directors and secretary do not hold any material interests in the shares of the company or any other company in the group.

Employees

The company's policy is to give full and fair consideration to the recruitment of disabled persons having regard to their particular aptitudes and abilities. Appropriate training will be arranged for disabled persons. The company's personnel policies ensure that all its employees are made aware, on a regular basis, of the company's policies, programmes and progress.

Claridge's Hotel Limited

Directors' report *(continued)*

Creditor payment policy

The payment policy of the company is to pay all purchases within thirty days of the end of the month. The payment policy applies to all payments to creditors/suppliers for revenue and capital supplies of goods and services without exception.

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

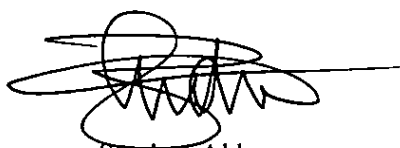
Political and charitable contributions

The company made no political contributions during the period and no donations to charities.

Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be re-appointed and KPMG will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the board

A handwritten signature in black ink, appearing to be 'Stephen Alden', with a large, stylized flourish at the end.

Stephen Alden
Director

22 July 2011

Claridge's Hotel Limited

Statement of directors' responsibilities in respect of the directors' report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

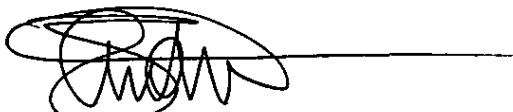
Company law requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

On behalf of the board



Stephen Alden
Director

22 July 2011



KPMG
Chartered Accountants
1 Stokes Place
St Stephen's Green
Dublin 2
Ireland

Independent auditor's report to the members of Claridge's Hotel Limited

We have audited the financial statements of Claridge's Hotel Limited for the period ended 31 December 2010 which comprise the profit and loss account, statement of total recognised gains and losses, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm

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 2010 and of its profit for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Claridge's Hotel Limited (*continued*)

Emphasis of matter – going concern

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made in Note 1 to the financial statements about the preparation of the financial statements on a going concern basis. As outlined in Note 1 borrowings of the company's parent, Coroin Ltd, and other group companies, are secured by a fixed and floating charge over the assets of the company. The parent company is currently in discussions with its bankers with a view to extending its banking facilities, which currently are due on 30 September 2011. As these negotiations are ongoing there exists a risk that such banking facilities will not be extended and that the fixed and floating charges issued by the company may be called upon. However, the parent company is confident that discussions with its bankers will be satisfactorily concluded and on this basis the directors are satisfied that the financial statements should be prepared on the going concern basis.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report 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



*Laura Gallagher (Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
Chartered Accountants
Stokes Place
St. Stephens Green
Dublin 2
Ireland*

22 July 2011

Claridge's Hotel Limited

Statement of accounting policies *for the period ended 31 December 2010*

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements

Basis of preparation and going concern

The financial statements are prepared in Sterling in accordance with generally accepted accounting principles under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board

The financial statements have been prepared on a going concern basis. See Note 1 to the financial statements for further information

Cash flow statement

The company's ultimate parent undertaking publishes financial statements which are publicly available. Those financial statements include a consolidated cash flow statement. For this reason the exemption requirements of FRS 1 (Revised) "Cash Flow Statements" are met and the company has therefore not prepared a cash flow statement

Group accounts

The company is exempt from the obligation to prepare consolidated accounts by virtue of Section 400 of the Companies Act 2006 in that it is a wholly owned subsidiary of its ultimate parent and controlling undertaking which itself prepares group accounts which are publicly available. These financial statements are therefore entity financial statements and are not consolidated financial statements

Turnover

Turnover represents income from hotel and restaurant operations, excludes value added tax and is recognised on provision of the related service. Turnover is derived solely from UK operations

Capitalisation of interest

Interest attributable to progress payments made on construction work-in-progress is capitalised and included in the cost of fixed assets. Interest is calculated by reference to specific borrowings where applicable or calculated at the weighted average interest rate for the pool of borrowings funding that particular project. Capitalisation of interest ceases when substantially all the activities that are necessary to bring the tangible fixed asset into use are complete

Tangible fixed assets

Tangible fixed assets are held at cost. Expenditure on development of the company's hotel and restaurants, including major replacement and improvement of assets, is disclosed as Land and Buildings, Plant, Machinery, Fixtures and Fittings. Land and Buildings includes the costs associated with structural improvements to freehold and long-term leasehold properties. The cost of replacement of glass and china and other certain loose equipment of hotels and restaurants is charged to revenue in the year in which it is incurred

Claridge's Hotel Limited

Statement of accounting policies *(continued)*

Depreciation

Depreciation is not charged on freehold property as the group has a policy and practice of disposing of assets well before the end of their economic lives and the disposal proceeds of similar assets have not been materially less than their carrying amounts

As a result, on an annual basis the group estimates the recoverable amount of its hotel properties based on the higher of their net realisable values or the present values of future cash flows expected to result from their use. Where the recoverable amount is less than the carrying amount of the hotel properties the group recognises an impairment loss in the profit and loss account

Other fixed assets are stated at cost less accumulated depreciation. No depreciation is charged on archive materials and manuscripts however as they are maintained in good condition and they are expected to have a high residual value

Depreciation of other tangible assets is provided on a straight-line basis over the following useful lives:

Plant and machinery	between 4 and 20 years
Fixtures and fittings	between 5 and 20 years

Investment in subsidiary undertakings

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value

Stocks

Stocks are valued at the lower of cost and net realisable value

Deferred taxation

Deferred taxation is provided in full on an undiscounted basis on timing differences that result in an obligation 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 and on an undiscounted basis. Timing differences arise from the inclusion of items of income and expenditure in taxation 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

Leasing

Assets acquired under finance leases are included under the relevant category of tangible fixed assets and depreciated accordingly. The capital element of future lease rentals payable is included as appropriate under creditors due within or after more than one year. The interest element of lease rentals is charged to the profit and loss account. Rentals under operating leases are charged to the profit and loss account, as incurred, over the terms of the leases

Claridge's Hotel Limited

Statement of accounting policies *(continued)*

Pension and other post retirement benefits

The company is a participating member of a larger group defined benefit pension scheme, the Maybourne Hotels Group Pension and Life Insurance Scheme, providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the company. The company is unable to identify its share of the scheme assets and liabilities on a consistent and reasonable basis and therefore, as permitted by FRS 17 'Retirement benefits', the scheme has been accounted for in these financial statements, as if the scheme was a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

Claridge's Hotel Limited

Profit and loss account for the period ended 31 December 2010

		18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
	<i>Note</i>		
Turnover	2	82,656	48,617
Cost of sales		(24,113)	(13,492)
		<hr/>	<hr/>
Gross profit		58,543	35,125
Administrative expenses		(28,853)	(18,194)
		<hr/>	<hr/>
Operating profit	4	29,690	16,931
		<hr/>	<hr/>
Profit on ordinary activities before taxation		29,690	16,931
Tax (charge)/credit on profit on ordinary activities	5	(670)	514
		<hr/>	<hr/>
Profit for the financial period/year	13/14	29,020	17,445
		<hr/>	<hr/>

The company had no recognised gains or losses in the financial period or in the preceding financial period other than those dealt with in the profit and loss account. All activities in the current and preceding periods are derived from continuing operations.

Registered number: 29022

Claridge's Hotel Limited

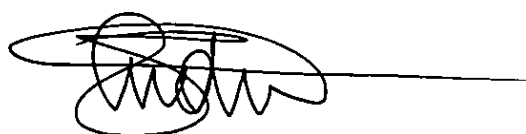
Balance sheet

At 31 December 2010

		31 December 2010 £'000	30 June 2009 £'000
	Note		
Fixed assets			
Tangible assets	6	198,348	194,704
Financial assets	7	150	150
		<hr/>	<hr/>
		198,498	194,854
Current assets			
Stocks	8	972	1,105
Debtors	9	124,814	98,187
Cash at bank and in hand		1,466	148
		<hr/>	<hr/>
		127,252	99,440
Creditors: amounts falling due within one year	10	(14,345)	(11,909)
		<hr/>	<hr/>
Net current assets		112,907	87,531
		<hr/>	<hr/>
Net assets		311,405	282,385
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	12	2,862	2,862
Share premium account	13	3,128	3,128
Revaluation reserve	13	137,423	137,423
Other reserves	13	24,611	24,611
Profit and loss account	13	143,381	114,361
		<hr/>	<hr/>
Total shareholders' funds	14	311,405	282,385
		<hr/>	<hr/>

These financial statements were approved by the Board of Directors on 22 July 2011

Signed on behalf of the Board of Directors



Stephen Alden
Director

22 July 2011

Claridge's Hotel Limited

Notes

forming part of the financial statements

2 Basis of preparation and going concern

The financial statements have been prepared on a going concern basis

As at 31 December 2010 the company had net current assets of £112,907,000 and net assets of £311,405,000. The company has provided cross guarantees with respect to the borrowings of Coroin Limited and its subsidiaries (the "group")

As at 31 December 2010 the group had net current liabilities of £604,711,000 and net assets of £18,099,000. The group's projections for 2011 forecast increased operating profit and cash flows reflecting increased average room rates and occupancy. The group holds sufficient working capital to meet its trading obligations. Funding of the group's debt used to acquire and develop the assets is dependent upon the continued availability of bank borrowings which are due for refinancing in September 2011. It is expected that the group's bankers will continue to provide financing to enable the group to meet its obligations as and when they fall due for the foreseeable future. It is expected that such financing will be agreed at similar terms and conditions as currently in place.

On this basis, the directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis.

2 Turnover

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Hotel, restaurant and ancillary business receipts	82,656	48,617
All turnover arises in the U K		

3 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows

	2010 No.	2009 No.
Hotel and administration	454	453

Claridge's Hotel Limited

Notes (continued)

3 Staff numbers and costs (continued)

The aggregate payroll costs of these persons were as follow

	2010 £'000	2009 £'000
Wages and salaries	14,733	7,812
Social security costs	1,345	719
Other pension costs	339	208
	<u>16,417</u>	<u>8,739</u>

The directors receive no remuneration for their services to this company

4 Operating profit

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Operating profit is stated after charging		
Operating leases		
Plant and machinery	8	-
Other assets	228	85
Depreciation – owned assets	<u>3,082</u>	<u>1,913</u>
Auditor's remuneration		
	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Audit of these financial statements	<u>28</u>	<u>28</u>
Amounts receivable by the auditors and their associates in respect of		
Other services relating to taxation	<u>23</u>	<u>23</u>

Claridge's Hotel Limited

Notes *(continued)*

5 Tax (charge)/credit on profit on ordinary activities

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
UK corporation tax for the year at 28% (2009 28%) based on the profit for the period	-	-
Deferred tax (charge)/credit		
Timing differences origination and reversal		
Current year	(763)	536
Adjustment in respect of prior years	93	(22)
	<hr/>	<hr/>
Tax (charge)/credit on profit on ordinary activities	(670)	514
	<hr/>	<hr/>

Claridge's Hotel Limited

Notes (continued)

5 Tax credit on profit on ordinary activities (continued)

Factors affecting corporation tax charge for the current period

The corporation tax assessed for the period is lower than that resulting from applying the standard rate of corporation tax in the UK of 28% (2009 28%)

The differences are explained below

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Profit on ordinary activities before tax	29,690	16,931
Tax at 28% (2009 28%) thereon	8,313	4,741
Effect of		
Capital allowances in excess of qualifying depreciation	(730)	535
Group relief received for nil consideration	(9,848)	(6,155)
Other timing differences (deferred tax provided)	-	(167)
Other permanent differences	-	1,029
Expenses not deductible for tax purposes	2,265	17
Current tax charge for the period/year	-	-

Factors that may affect the future tax charge

The tax charge in future periods will be impacted by any rate changes to the corporation tax rate in force in the countries in which it operates. In the UK, the Finance Bill 2010 included a reduction in the rate of corporate tax from 28% to 27% and this was substantially enacted on 21 July 2010. The rate reduction applies from 1 April 2011. Deferred tax balances must be recognised at the future rate applicable when the balance is expected to unwind. The rate reduction is not reflected in the closing tax balance at the year end. The UK 2010 Emergency budget announced further reductions in the corporation tax rate of 1% annually, reaching 24% on 1 April 2014 and this is not reflected in the closing deferred tax balance.

Deferred tax has not been provided on the difference between the carrying value and the tax basis of fixed assets. This tax will only become payable if the assets are sold and rollover relief is not obtained. The estimated amount of tax that would become payable in these circumstances is £35.4 million.

Deferred tax has not been provided in respect of gains realised that have been rolled over into the acquisition cost of replacement assets. This tax will become payable if the replacement assets are sold and further rollover relief is not available. The estimated amount of tax that would become payable in these circumstances is £0.9 million.

Claridge's Hotel Limited

Notes (continued)

6 Tangible fixed assets

	Freehold land and buildings £'000	Assets under course of construction £'000	Fixtures, fittings, tools and equipment £'000	Total £'000
Cost or valuation				
As at 30 June 2009	178,791	2,930	32,757	214,478
Additions	91	6,645	-	6,736
Disposals	-	-	(788)	(788)
Reclassification	1,137	(5,259)	4,122	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	180,019	4,316	36,091	220,426
	<hr/>	<hr/>	<hr/>	<hr/>
Accumulated depreciation				
As at 30 June 2009	-	-	19,774	19,774
Disposals	-	-	(778)	(778)
Charge for the year			3,082	3,082
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	-	-	22,078	22,078
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2010	180,019	4,316	14,013	198,348
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2009	178,791	2,930	12,983	194,704
	<hr/>	<hr/>	<hr/>	<hr/>

The hotel property which the company occupies is carried at the value attributed to it at 31 December 1998 as adjusted for any additions at historic cost

Borrowings of the company's ultimate parent, Coroin Limited, and other group companies, are secured by a fixed and floating charge over the assets of the company

Claridge's Hotel Limited

Notes (continued)

7 Financial fixed assets - investment in subsidiary undertakings

	31 December 2010 £'000	30 June 2009 £'000
<i>At cost and net book value</i>		
At beginning and end of the period	150	150

The subsidiary undertakings are as follows

Subsidiary undertaking	Country of incorporation	Activity	Shareholding
A Goody Rewarded Ltd	Great Britain	Dormant Company	100%
Claridge's Hotel (42000) Ltd	Great Britain	Dormant Company	100%

8 Stocks

	31 December 2010 £'000	30 June 2009 £'000
Raw materials and consumables	972	1,105

The directors are of the opinion that the net realisable value of stock is greater than the carrying value

Claridge's Hotel Limited

Notes *(continued)*

9 Debtors

	31 December 2010 £'000	30 June 2009 £'000
Trade debtors	2,664	3,623
Other debtors	271	796
Amounts owed by group companies	120,207	91,863
Prepayments and accrued income	655	218
Deferred tax asset (Note 11)	1,017	1,687
	<hr/>	<hr/>
	124,814	98,187
	<hr/>	<hr/>
All amounts are due within one year		

10 Creditors: amounts falling due within one year

	31 December 2010 £'000	30 June 2009 £'000
Trade creditors	3,226	2,212
Amounts owed to group companies	2,317	1,227
Amounts owed to subsidiary undertakings	150	150
Amounts owed to parent undertaking	4,000	4,000
Other taxes and social security	2,101	1,624
Other creditors	330	504
Accruals and deferred income	2,221	2,192
	<hr/>	<hr/>
	14,345	11,909
	<hr/>	<hr/>

Claridge's Hotel Limited

Notes (continued)

11 Deferred tax asset

	31 December 2010 £'000	30 June 2009 £'000
Movement in deferred tax provision		
Opening deferred tax (asset)	(1,687)	(1,173)
Charge/(credit) to the profit and loss account (Note 5)	670	(514)
	<hr/>	<hr/>
At end of period/year (note 9)	(1,017)	(1,687)
	<hr/>	<hr/>
	2010 £'000	2009 £'000
<i>Analysis of deferred tax balance,</i>		
Capital allowances in excess of depreciation	(929)	(1,666)
Short term timing differences	(88)	(21)
	<hr/>	<hr/>
At end of period/year (note 9)	(1,017)	(1,687)
	<hr/>	<hr/>

12 Called up share capital

	31 December 2010 £'000	30 June 2009 £'000
Authorised:		
50,000,000 ordinary shares of 10p each	5,000	5,000
	<hr/>	<hr/>
Called up, allotted and fully paid		
28,615,873 ordinary shares of 10p each	2,862	2,862
	<hr/>	<hr/>

Claridge's Hotel Limited

Notes (continued)

13 Reserves

	Share Premium £'000	Revaluation reserve £'000	Other reserves £'000	Profit and loss account £'000	Total £'000
At 30 June 2009	3,128	137,423	24,611	114,361	279,523
Profit for the period	-	-	-	29,020	29,020
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2010	3,128	137,423	24,611	143,381	308,543
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

14 Reconciliation of movement in shareholders' funds

	31 December 2010 £'000	30 June 2009 £'000
At start of period	282,385	264,940
Profit for the financial period	29,020	17,445
	<hr/>	<hr/>
At end of period	311,405	282,385
	<hr/>	<hr/>

15 Capital commitments

	31 December 2010 £'000	30 June 2009 £'000
Capital commitments (land and buildings)		
Contracted but not provided for in the accounts	431	327
	<hr/>	<hr/>

Claridge's Hotel Limited

Notes (continued)

16 Operating lease commitments

At 31 December 2010 the company was committed to making the following payments during the next period in respect of operating leases

	18 month period ended 31 December 2010 £'000	Year ended 30 June 2009 £'000
Operating lease commitments (other assets)		
Expiring		
- within one year	12	10
- in two to five years	57	176
	<hr/>	<hr/>
	69	186
	<hr/>	<hr/>
Commitments under non-cancellable leases	69	186
	<hr/>	<hr/>

17 Pensions and similar obligations

Claridge's Hotel Limited is a participating employer in two pension schemes. The Maybourne Hotels Group pension and life insurance scheme, a defined benefit scheme, which has two sections – Staff and Senior Staff section was closed to new entrants with effect from 1 August 2006. The Maybourne Stakeholder Scheme, a defined contribution scheme, was introduced on 1 August 2006 and is open to all staff if they meet the eligibility criteria. The company actively encourages staff to join the scheme as it believes that it is an important element of the remuneration package. This is disclosed fully in the consolidated accounts of Coroin Limited.

The directors are unable to identify the company's share of the scheme assets and liabilities as

Most scheme members have worked for more than one company within the group. The group structure has also changed materially over time due to restructurings, acquisitions and disposals. It is therefore not appropriate to allocate assets and liabilities between the participating companies.

For funding purposes, the employers within the group share actuarial risks. The determination of cash contributions does not separately identify assets and liabilities for individual participating companies and all employers pay the same contribution rate in respect of accruing benefits. Contributions in respect of the past service deficit are paid separately by another group company.

As a result it is accounted for as a defined contribution scheme. The scheme is currently in deficit and it is expected that contributions will be increased to reduce the deficit. At 31 December 2010 this deficit, calculated in accordance with FRS 17, amounted to £1.4 million (30 June 2009 £5.7 million). Full details of the scheme are disclosed in the accounts of Coroin Limited.

Claridge's Hotel Limited

Notes *(continued)*

18 Related party disclosures

The company is exempt under the provisions of paragraph 3, Financial Reporting Standard 8 "Related Party Disclosures" from disclosing details of transactions with Group related parties

19 Ultimate parent company

The company's ultimate parent company is Coroin Limited, a company incorporated in Great Britain and registered in England and Wales. This is the smallest and largest group in which the results of the company are consolidated. Copies of those statutory accounts will be available from its registered office, 30 Old Burlington Street, Mayfair, London, W1S 3AR.