

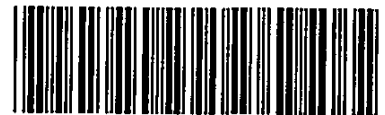
**Company Registration No. 3197645**

**Brown's Hotel Limited**

**Report and Financial Statements**

**30 April 2011**

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## **Brown's Hotel Limited**

### **Report and financial statements 2011**

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## **Brown's Hotel Limited**

### **Report and financial statements 2011**

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

##### **Directors**

Sir Rocco Forte  
Alan Clark (appointed 14 April 2011)

##### **Registered office**

70 Jermyn Street  
London  
SW1Y 6NY

##### **Bankers**

Bank of Scotland  
38 St Andrew Square  
Edinburgh  
EH2 2YR

##### **Solicitors**

Forsters LLP  
31 Hill Street  
London  
W1J 5LS

##### **Auditor**

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

# **Brown's Hotel Limited**

## **Directors' report**

The directors present their annual report on the affairs of the Company, together with the accounts and auditor's report for the year ended 30 April 2011

### **Principal activity**

To 31 October 2006, the principal activity of the Company was the ownership and operation of Brown's Hotel in London. The 117 bedroom hotel is situated in the middle of London's Mayfair district. The hotel is the oldest 5 star hotel in London.

On 31 October 2006, the company sold the trade and assets of Brown's Hotel to Rocco Forte & Family (London) Limited, its immediate parent undertaking. The company did not trade from 31 October 2006.

### **Results and dividends**

The Company made a profit after taxation of £nil for the year (2010: profit after taxation of £nil). A dividend of £43,999,852 was paid during the financial year (2010: £nil).

### **Directors**

The names of the directors of the Company are stated on page 1, all of whom served throughout the year, except as noted.


This report has been prepared in accordance with the Special Provisions of Part 15 of the Company's Act 2006.

### **Provision of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditor in connection with preparing their report and to establish that the Company's auditor is aware of that information.

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



Sir Rocco Forte  
Director

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## **Brown's Hotel Limited**

### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and accounting estimates that are reasonable and prudent, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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 Brown's Hotel Limited**

We have audited the financial statements of Brown's Hotel Limited for the year ended 30 April 2011 which comprise the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 April 2011,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Emphasis of matter – going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the Company's ability to continue as a going concern. The Company is a subsidiary of the Rocco Forte & Family (Luxury Hotels) Limited Group and as described in note 8 it is party to a group loan facility over which the Group's bankers have a cross guarantee. Subsequent to the year end Rocco Forte & Family (Luxury Hotels) Limited became a wholly owned subsidiary of the Rocco Forte & Family Limited Group. At the same time the Group's main banking facilities were successfully renegotiated and these are now in place until 2015. However, the enlarged Group has separate financing arrangements for one of its Italian subsidiaries which are currently being renegotiated. This, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty which may cast doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

## **Independent auditor's report to the members of Brown's Hotel Limited**

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

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of director's remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the director was not entitled to take advantage of small companies exemptions in preparing the director's report

PKF(UK)LLP

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

28 March 2012

**Brown's Hotel Limited**  
**Company Registration No. 3197645**

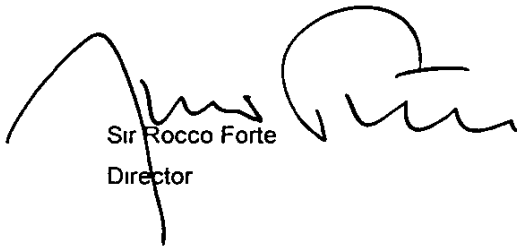
**Balance sheet**  
**30 April 2011**

	Note	2011 £'000	2010 £'000
<b>Current assets</b>			
Debtors due after more than one year	3	45,000	89,000
<b>Net current assets and total assets less current liabilities</b>		<u>45,000</u>	<u>89,000</u>
<b>Net assets</b>		<u>45,000</u>	<u>89,000</u>
<b>Capital and reserves</b>			
Called up share capital	4	3,036	3,036
Share premium	5	41,964	41,964
Profit and loss account	5	-	44,000
<b>Shareholder's funds</b>	6	<u>45,000</u>	<u>89,000</u>

The Company has no recognised gains or losses for the year. Accordingly, no profit and loss account or statement of total recognised gains and losses has been provided.

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 March 2012.



Sir Rocco Forte  
 Director



# **Brown's Hotel Limited**

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

### **1 Accounting policies**

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted, which have been applied consistently throughout the current and prior years, are described below.

#### **Accounting convention**

The financial statements have been prepared under the historical cost convention, and in accordance with applicable United Kingdom accounting standards.

#### **Basis of Preparation**

The Company reports net assets for the year.

As described in note 8 the company is party to a group loan facility over which the Group's bankers have a cross guarantee. Subsequent to the year end the Group's financing arrangements with the Bank of Scotland were successfully renegotiated. Long term facilities are now in place until June 2015.

Subsequent to the year end Rocco Forte & Family Limited became the ultimate parent of the Company. Rocco Forte & Family Limited also renegotiated its main group financing arrangements with the Bank of Scotland and is currently renegotiating the long term financing arrangements in relation to one of its Italian subsidiaries with its Italian lender. In the event that revised long term facilities are not agreed, this may give rise to Bank of Scotland exercising their rights in the event of default under the Group's facilities.

Given the strong relationships that exist with the Group's banks, the constructive ongoing discussions with both lenders and taking account of all options available, the directors have the reasonable expectation that the Group and the Company will have the resources required to continue as a going concern. As such, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Cash flow statement**

Under the provisions of FRS 1 (Revised) Cash Flow Statements, the Company has not prepared a cash flow statement because its ultimate parent company, Rocco Forte & Family (Luxury Hotels) Limited, prepares consolidated accounts. The cash flows of the Company are included in the consolidated cash flow statement.

#### **Related party disclosures**

As a subsidiary of Rocco Forte & Family (Luxury Hotels) Limited the Company has taken advantage of the exemption in FRS 8 Related Party Disclosures not to disclose transactions with other members of the group. Transactions with other related parties are disclosed in note 7.

### **2 Profit on ordinary activities before taxation**

The Company had no employees other than its directors during the year and the prior year. The directors received no remuneration in respect of services to the Company during the year (2010 £nil). Auditors remuneration for audit services of the Company for the year of £2,000 (2010 £nil) has been borne by the ultimate parent undertaking, Rocco Forte & Family (Luxury Hotels) Limited.

## Brown's Hotel Limited

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

#### 3 Debtors amounts falling due after more than one year

	2011 £'000	2010 £'000
Amounts owed by group undertakings	<u>45,000</u>	<u>89,000</u>

#### 4. Called up share capital

	2011 £'000	2010 £'000
<b>Allotted, called-up and fully paid:</b>		
12,144,600 Ordinary shares of 25p each	<u>3,036</u>	<u>3,036</u>

#### 5 Reserves

	Share premium £'000	Profit and loss reserve £'000
At 1 May 2010	41,964	44,000
Dividends	-	(44,000)
At 30 April 2011	<u>41,964</u>	<u>-</u>

On 23 November 2011 the company undertook a capital reduction, resulting in the share premium account being reduced by £40m. The company subsequently paid a distribution of £40m.

## **Brown's Hotel Limited**

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

#### **6. Reconciliation of movements in shareholder's funds**

	<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>
Opening shareholder's funds	89,000	89,000
Dividends	(44,000)	-
Closing shareholder's funds	<u>45,000</u>	<u>89,000</u>

#### **7. Related party transactions**

The Company has taken advantage of the exemption contained in paragraph 3(c) of Financial Reporting Standard 8 Related Party Disclosures, not to disclose transactions with other members of the group. Balances due to or from group undertakings are disclosed in note 3.

#### **8. Contingent liabilities**

The Company is party to a group loan facility over which the Group's bankers have a cross guarantee secured by way of a fixed and floating charge on all the assets of the group companies. The amount outstanding on this facility at 30 April 2011 was £129,945,000 (2010: £196,691,000).

#### **9. Ultimate parent company and controlling party**

The Company's immediate parent undertaking is Rocco Forte & Family (London) Limited. At the year end the Company's ultimate parent undertaking and controlling party is Rocco Forte & Family (Luxury Hotels) Limited. This is the only group in which the results of the Company are consolidated. Copies of the group financial statements of Rocco Forte & Family (Luxury Hotels) Limited are publicly available. Subsequent to the year end Rocco Forte & Family Limited became the ultimate controlling party.